

**CHAPTER 64. PRIVATE PASSENGER AUTOMOBILE
POLICY FORMS**

Sec.	
64.1.	Purpose.
64.2.	Applicability.
64.3.	Short sentences.
64.4.	Simple wording.
64.5.	Definitions.
64.6.	Index.
64.7.	Introduction.
64.8.	Policy structure.
64.9.	Legibility.
64.10.	Narrative or outline form.
64.11.	Conditions.
64.12.	Testing.
64.13.	Filing requirements.
64.14.	Approved forms.

Authority

The provisions of this Chapter 64 issued under The Insurance Department Act of 1921, particularly section 354 (40 P. S. § 477b); sections 206, 506, 1501 and 1502 of The Administrative Code of 1929 (71 P. S. §§ 66, 186, 411 and 412), unless otherwise noted.

Source

The provisions of this Chapter 64 adopted January 10, 1975, 5 Pa.B. 76, unless otherwise noted.

§ 64.1. Purpose.

The purpose of the Department's readability program is an auto insurance policy that is understandable to a person of average intelligence and education. Towards this end, this chapter is promulgated to inform the insurers licensed in the Commonwealth of the standards the Department will use in determining whether to approve a given policy form. Licensed insurers are advised that policy forms that do not conform substantially with the standards set forth in this chapter will not be approved for use in this Commonwealth.

§ 64.2. Applicability.

(a) This chapter applies to policies providing auto liability, medical payments, physical damage or uninsured motorists insurance on private passenger automobiles owned or rented under a long term lease or contract by an individual or husband and wife who are resident in the same household on a specified car basis. A "private passenger automobile," for the purposes of this section includes the following:

- (1) A motor vehicle of the private passenger or station wagon type which is neither used for transporting goods or passengers for hire nor rented to others without a driver.

(2) A motor vehicle with a pick-up body, a delivery sedan or panel truck, not customarily used in the occupation, profession or business of the insured other than farming or ranching. A motor vehicle used in the course of driving to or from work, which otherwise meets the eligibility requirements of this rule, shall be classified as a private passenger automobile.

(3) An automobile owned by a farm family, copartnership or corporation which is principally garaged on a farm or ranch and otherwise meets the definitions set forth in paragraph (1) or (2) shall be considered a private passenger automobile owned by two or more relatives resident in the same household.

(b) The requirements of this chapter applies to policy forms covering risks mentioned in this section received by the Department for approval after the effective date of this chapter. Its requirements apply to policy forms for auto insurance as defined in this section presently approved for use in this Commonwealth beginning 1 year after the effective date of this chapter.

§ 64.3. Short sentences.

Sentences should be as short as possible. Sentence structure should be primarily simple. Compound and complex sentences shall be avoided where possible.

§ 64.4. Simple wording.

Policy forms shall be written in simple words. The words should convey meanings clearly and directly. Legal sounding words should be avoided. Present tense and positive statements should be used wherever possible. Gerunds, participles and infinitives should be avoided. Words should be used in their commonly understood senses.

§ 64.5. Definitions.

Definitions should be limited to words which cannot be properly explained or qualified in the text. Terms should reflect their defined meanings.

§ 64.6. Index.

(a) Policy forms should include an index at the beginning of the form. The index should give a comprehensive listing of policy parts in a logical sequence. Index listings should clearly state the contents of each section. The index should provide a useful guide to use of the form.

(b) A good index should include the following:

- (1) Who is insured under each coverage.
- (2) What is covered under each coverage.
- (3) What is not covered under each coverage.
- (4) Words defined.
- (5) How to file a claim under each coverage.
- (6) What to do if you are sued.
- (7) Change in the policy.

(c) If the index does not appear on the cover, the backside of the cover or the first page after the cover, its location should be noted on the cover page.

§ 64.7. Introduction.

Policy forms should be introduced by a brief explanation of the fact that the policy is a contract between the company and the policyholder.

§ 64.8. Policy structure.

For clarity, each coverage (in forms with two or more coverages) should be arranged separately with its related exclusions, conditions and other provisions. Claim filing procedures should either be stated in a separate section and keyed to each coverage section or set forth in the section pertaining to each coverage.

§ 64.9. Legibility.

(a) The policy and endorsements shall be printed in upright type at least as large as 10-point modern type, 1-point leading (11-point spacing). The legibility should be comparable to that of Century type. No insurer, however, shall be required to use a specific type face as long as the type selected meets this standard of readability. The Department will consider the following type faces as being legible as Century type, although this list is not intended to be exhaustive but is intended solely as an indication of the legibility of a type face that is required:

- (1) Aldine.
- (2) Baskerville.
- (3) Bodoni.
- (4) Bodoni Book.
- (5) Century Schoolbook.
- (6) Journal.
- (7) Press Roman.
- (8) Times Roman.

(b) The column width or line length of the body text of the policy should not exceed 4 inches per column. This maximum is based upon the assumption that ten-point Century Roman type, two points leaded will be used. If an insurer uses a different type size any corresponding adjustment in column width should maintain the following ratio:

$$L=2.1 \times 1.c.a.$$

where:

L = length of line in points

1.c.a. = length of the unspaced alphabet in the lower case expressed in points

(note: in printer's measure:

12 points = 1 pica

6 picas = 1 inch)

- (c) Margins should be adequate for purposes of readability.
- (d) The contrast and legibility of the color of ink and the color of paper of the policy should be substantially the equivalent of that of black ink on white paper.
- (e) Contract section headings should be in a contrasting color, type-face, or size.

Source

The provisions of this § 64.9 amended October 7, 1977, 7 Pa.B. 2893. Immediately preceding text appears at serial page (19092).

Cross References

This section cited in 31 Pa. Code § 151.9 (relating to standards for disclosure statement and resident's agreement).

§ 64.10. Narrative or outline form.

Policy forms may be prepared in narrative or outline form. If the narrative form is used, frequent section headings should be used to permit ease in locating provisions. If the outline form is used a maximum of three levels of division should be used. Care should be taken to avoid fragmentation in the outline form.

§ 64.11. Conditions.

Conditions should be incorporated in the sections to which they apply. Conditions relating to a specific coverage should be included with that coverage. Conditions relating to claims procedures should be included in a section on how to file a claim. Avoid using a series of unrelated conditions which relate to other parts of the policy individually or which could be combined in a section on what to do if you are sued or on policy changes.

§ 64.12. Testing.

- (a) Policy forms should have a total readability score of 40 or more on the Flesch Scale. The Flesch Scale testing procedure is given in Appendix A.
- (b) Forms with a Flesch Test score of less than 40 may be approved where the length of sentences and words are sufficiently compensated for by compliance with other standards in this chapter.
- (c) A Flesch Test score of 40 or more will not permit approval of a form which does not meet other standards in this chapter.

§ 64.13. Filing requirements.

- (a) Policy forms filed for approval should be accompanied by a Flesch readability analysis and test score in accord with the procedure set out in Appendix A.
- (b) Where policy forms are filed as replacements for other forms presently in use, copies of the forms are to accompany the filing for comparison.

§ 64.14. Approved forms.

(a) Forms presently approved by the Insurance Department for insurance within the scope of this chapter are subject to disapproval 1 year after the effective date of this section unless they comply with the requirements set forth in this chapter.

(b) If presently approved forms are believed to be in compliance with the requirements of this chapter, insurers may request confirmation from the Insurance Department.

APPENDIX A

HOW TO MEASURE READABILITY

A. If the whole contract is analyzed:

1. For each sentence, count the number of words and the number of syllables.

Counting sentences—When counting sentences, go according to full units of thought, ending with a period, semicolon, or colon. Do not count headings or subsection numbers. Skip lists of items having only a few words.

Counting words—Contractions and hyphenated words are counted as one word. So are numbers and letters, if they are separated by spaces. For example, “C.O.D.” and “19” would each be considered one word.

Counting syllables—Count as syllables pronounce, even for numbers and letters, if they are not too lengthy. If numbers and letters (such as “PA-1943D”) are too lengthy, skip them. Where the dictionary shows two or more *equally* acceptable pronunciations of a word, use the one having the fewer number of syllables.

An easy way to count words and syllables is to write down the number of syllables in each word as you read the sentences. To get the number of words, count the numbers written down. To get the number of syllables, add the numbers written down.

To simplify counting the number of words, use graph paper scaled every 5 or 10 spaces.

To simplify adding up the number of syllables, total up the syllables, other than the first, in all words of more than one syllable. Then add this total to the number of words being tested.

2. Add up the total number of sentences, words, and syllables for the whole contract.

$$\text{Average sentence length} = \frac{\text{total number of words}}{\text{total number of sentences}}$$

$$\text{Average word length} = \frac{\text{total number of syllables}}{\text{total number of words}}$$

3. Flesch Reading Ease Score = $206.835 - (X + Y)$
 where X = average sentence length \times 1.015
 Y—average word length \times 84.6

B. If samples are used

1. *Sampling*—It will often be too time-consuming to analyze all the sentences in a contract. Choose samples of about 100 words by using all sentences up to and including the sentence *ending after* the 100-word mark. For example, the last sentence in the sample might end on the 105th or 115th word of sample; i.e., count 100 words and then finish the sentence.

To insure an unbiased sample, use the following system:

- a. For small contracts of one or two pages, do not use samples. Instead, analyze the whole contract.
- b. For larger policies, take about two samples per page.
- c. Skip an equal number of *printed lines* after each sample and start the next sample with the sentence beginning after that point. To determine the number of lines between samples, take two samples from page 1 and count how many lines are between them.

For example, suppose there were 50 printed lines between the first two samples. Then after each sample, count 50 lines, and start the next sample with the sentence beginning after that 50-line point.

If a row of print is less than one-half the column of print, do not count it.

2. For all the sentences in the samples, follow the same procedure as in items A-1, 2, 3.

SUBMITTING INFORMATION ON READABILITY

For each policy analyzed by the Flesch Readability Method, please submit the following:

- A. If the whole contract is analyzed:
 1. Summary of information for each sentence—number of words and number of syllables.
 2. Calculation of Average Sentence Length, Average Word Length, and Flesch Reading Ease Score.
- B. If samples are used:
 1. Description of Sampling method—number of samples, number of printed lines between samples, and marked copy of policy indicating samples.
 2. Summary of information for each sample—number of sentences, number of words, and number of syllables.
 3. Calculation of Average Sentence Length, Average Word Length, and Flesch Reading Ease Score.

Example:

If samples are used:

	<i>Number of Sentences</i>	<i>Number of Words</i>	<i>Number of Syllables</i>
Sample No. 1	4	109	153
Sample No. 2	5	107	145
Sample No. 3	3	105	165
Sample No. 4	4	100	157
Sample No. 5	5	111	170
	21	532	790

$$\text{Average Sentence Length} = \frac{532}{21} = 25.333$$

$$\text{Average Word Length} = \frac{790}{532} = 1.4849$$

$$X = 25.333 \times 1.015 = 25.713$$

$$Y = 1.4849 \times 84.6 = 125.622$$

$$\text{Flesch Reading Ease Score} = 206.835 - (25.713 + 125.622) = 55.500$$

C. Because of their effect on readability, each filing submitted should list the number of times each of the following words or phrases is used for calculating the Flesch Score on each policy:

- “accident”
- “bodily injury”
- “company”
- “insurance”
- “liability”
- “damage”
- “policy”
- “property damage”

[Next page is 65-1.]