



*Colorado Legislative Council Staff Fiscal Note*  
**NO FISCAL IMPACT**

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**Drafting Number:** LLS 10-0305**Date:** February 5, 2010**Prime Sponsor(s):** Rep. Kefalas  
Sen. Newell**Bill Status:** House Business Affairs and Labor  
**Fiscal Analyst:** Clare Pramuk (303-866-2677)

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**TITLE:** CONCERNING THE USE OF PLAIN LANGUAGE IN INSURANCE POLICIES.**Summary of Legislation**

This bill requires that insurance policies and plans issued or renewed on or after July 1, 2011, be written at or below a 10th grade reading level. For policies and plans longer than 3 pages or 3,000 words, the text must be written in 12 point or larger type and contain an index or table of contents. Insurance companies are required to report readability scores as part of their annual filings with the Division of Insurance in the Department of Regulatory Agencies. An insurance company that violates these requirements commits an unfair or deceptive act or practice in the business of insurance and is subject to fines and penalties by the Commissioner of Insurance. The applicable policies and plans include:

- automobile insurance;
- health benefit plans;
- limited benefit health insurance;
- dental plans; and
- long-term care plans.

The bill is effective July 1, 2011.

**Assessment**

This bill is assessed at no fiscal impact. Insurance companies annually file forms with the division which are reviewed by division staff for completeness. Review of these new forms does not increase the workload of the division.

**Departments Contacted**

Regulatory Agencies