

September 24, 1980

SUBJECT: INSURANCE

WITHDRAWN

Circular Letter No. 13

INFORMATION BULLETIN # 1

TO: ALL AUTHORIZED PROPERTY AND CASUALTY INSURERS

RE: SECTION 142-a
REQUIREMENTS FOR READABLE AND UNDERSTANDABLE INSURANCE POLICIES

At a meeting held at this Department on September 22, 1980 with industry representatives questions were raised in connection with Section 142-a which was added to the Insurance Law by Chapter 867 of the laws of 1980 (Assembly Bill 11111-A). This law provides requirements for the use of readable and understandable insurance policies.

In order to assist insurers in the implementation of the above new section of the law, the following interpretations are issued.

1. The exception provided under subdivision 3(a)(5) with respect to policy renewals is intended to apply only to life and accident and health insurance policies. The provision in this subdivision is therefore intended to refer to "the date specified in subdivision seven (a) of this section," in lieu of subdivision seven.
2. The provision of Subdivision 7(b) of this section, applicable to renewal policies of property and casualty insurance after July 1, 1981 is intended to apply to all policies that are renewed upon the expiration of the prior contractual policy period.
3. The new law amends subdivision 2 of Section 168 of the Insurance Law requiring that an explanatory booklet in a form approved by the Superintendent be issued in connection with a fire policy covering "real property used predominantly for residential purposes which consists of not more than four dwelling units and household furnishings and personal property contained in any household unit."

This Department will consider the use of a simplified dwelling form in readable and understandable language, subject to the approval of the Superintendent, as being equivalent to such booklet.

Very truly yours,

[SIGNATURE]

ALBERT B. LEWIS

Superintendent of Insurance