



## **NEWS RELEASE**

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### **Plain Language and Standards for Health Policies Become Law in Colorado**

Two new laws make insurance policies easier to read and understand.

The "Plain Language" law requires insurance companies to write policies at or below the tenth grade level. It applies to private auto, long-term care, dental and health benefit plans.

The "Standardized Health Insurance Information" law sets standards for policy forms, as well as forms containing an explanation of benefits. Insurance companies now must organize a policy in a standard order and use the same section titles on every policy. The explanation of benefit forms will now contain the same information regardless of the insurance company. The new law covers forms for the most common health and dental plans.

"We tell consumers to read material carefully to get the best insurance coverage," said Commissioner Morrison. "These bills make insurance companies use simple language and standardized formats."

Colorado's Governor signed both bills into law. "These laws move Colorado forward in simple and common sense ways," Gov. Ritter said. "We're making insurance policies more understandable."

The new law makes Colorado one of the leaders in "plain language" requirements. Although many states passed standards more than thirty years ago, Colorado joins Rhode Island, Maine, Massachusetts, and North Carolina with one of the most consumer-friendly reading levels.

In 2008, the Division of Insurance received close to 800 formal complaints from people who could not understand their policies. The Division receives thousands of questions each year from consumers who need help understanding what their policies say.

"Consumers have a right to know what their policies say," said Commissioner Morrison.

The laws are effective for policies and forms issued or renewed beginning Jan. 1, 2012.

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*DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.*