

§ 58-38-20. Format requirements.

(a) All insurance policies and contracts covered by G.S. 58-38-35 must be printed in a typeface at least as large as 10 point modern type, one point leaded, be written in a logical and clear order and form, and contain the following items:

- (1) On the cover, first, or insert page of the policy a statement that the policy is a legal contract between the policy owner and the insurer and the statement, printed in larger or other contrasting type or color, "Read your policy carefully";
- (2) An index of the major provisions of the policy, which may include the following items:
 - a. The person or persons insured by the policy;
 - b. The applicable events, occurrences, conditions, losses, or damages covered by the policy;
 - c. The limitations or conditions on the coverage of the policy;
 - d. Definitional sections of the policy;
 - e. Provisions governing the procedure for filing a claim under the policy;
 - f. Provisions governing cancellation, renewal, or amendment of the policy by either the insurer or the policyholder;
 - g. Any options under the policy; and
 - h. Provisions governing the insurer's duties and powers in the event that suit is filed against the insured.

(b) In determining whether or not a policy is written in a logical and clear order and form the Commissioner must consider the following factors:

- (1) The extent to which sections or provisions are set off and clearly identified by titles, headings, or margin notations;
- (2) The use of a more readable format, such as narrative or outline forms;
- (3) Margin size and the amount and use of space to separate sections of the policy; and
- (4) Contrast and legibility of the colors of the ink and paper and the use of contrasting titles or headings for sections. (1979, c. 755, s. 1.)