



AICP New England Chapter "E-Day"  
June 6, 2018

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RI Department of Business Regulation (DBR)/Insurance Division:  
Staff Directory: <http://www.dbr.ri.gov/contact/>

**We encourage industry to follow us on social media** for current news, updates and job opportunities, and to subscribe to our interested parties list to receive electronic notices of all regulatory proposals/changes/bulletins/alerts. You may subscribe to our interested parties list directly from our website (constant contact) at: <http://www.dbr.state.ri.us/divisions/insurance/>

**Social media handles**

LinkedIn: Rhode Island Department of Business Regulation/DBR  
Twitter: @RIDBRInsurance  
Website: <http://www.dbr.ri.gov/divisions/insurance/>

**SERFF: Primary Contacts for P&C and WC Filings:**

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**Complaints: Primary P&C Contacts**

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**SERFF Filing Issues:**

- Lack of side-by-side or tracked changes
- Use of stale rate procedural forms or lack of rate support
- Incorrect or missing filing fees. Incorrect Filing Mode (LOB)
- Referencing "competitor" filings but failing to provide details on competitor(s) filing SERFF #'s and any variances to such filings.
- Manual pages incorrectly attached to supporting document tab vs. rate tab

**Complaint correspondence:** Reminder: [Insurance Bulletin 2012-3](#) requires all licensees reply to DOI inquiries/correspondence electronically.

**2018 DBR/Insurance Legislative Package:**

**S2497/H7789: Insurance Data Security Act.** Establishes standards for data security and for the investigation of and notification to the Commissioner of a Cybersecurity Event applicable to Licensees. Follows NAIC Model Act. Both bills have been heard and held for further study. A meeting on this legislation was held at DBR with interested parties on May 1, 2018. S2497 was scheduled for hearing and/or considered on 6-5-2018.

**DBR Bills enacted in 2017:**

**2017 H5934: Repeal/Clean Up**

1. **Repeal of RIGL §27-9-51 (Excess profit reports for WC).** The calculation in the statute no longer comports with the current rating structure (rate setting to advisory loss costs)
2. **Repeal of §27-75 (Surplus Line Insurance Multi-State Compliance Compact) Slimpack.** The states did not come to an agreement on sharing of premium taxes and the commission contemplated by this statute did not come into existence.

**2017 H5937 Consumer protection**

1. **Unlicensed Public Adjuster-** Prohibits the negotiating of claims with unlicensed public adjusters.
2. **Prohibits insurers from excluding volunteer drivers:** Adds R.I. Gen. Laws §27-9-4(f) to prohibit insurers from refusing to issue motor vehicle liability insurance, impose a surcharge or otherwise increase the rate for a motor vehicle policy solely because the applicant is a volunteer driver. Volunteer driver is defined as a person who provides services without compensation to a non-profit agency or charitable organization. (Based on Maine statute.)
3. Removes an exemption for blanket and group policies from accident and sickness laws. Amends R.I. Gen. Laws § 27-18-1 to clarify that the Department has authority over Disability Insurance policies.
4. Eliminates requirement that service of process be forwarded to insurance companies by certified mail.
5. Eliminates CE Board for providers: To be replaced by professional approval contractors that perform the function in most other states including our neighbors of Massachusetts and Connecticut.

**2017 S0783A/H6365 Financial Regulation**

1. **Credit for Reinsurance –** Amend R.I. Gen. Laws § 27-1.1 to bring the section into compliance with the most recent version of the National Association of Insurance Commissioners (NAIC) model act.
2. **Protected Cell –** An amendment is necessary to address premium that is subject to guaranty association protection. This amendment to R.I. Gen. Laws § 27-64-6 would make that change.
3. **Premium Tax –** Amends R.I. Gen. Laws § 44-14-1 to change the definition to one that has been determined to properly reflect the intent of the statute while allowing more flexibility in the information to be obtained.

## 2018 Proposed P/C Bills of Interest

S2870/H7676 – Prohibitions on use of credit history or credit score in automobile insurance.

H7603- Prohibition on the use of credit histories, credit scores, occupation or educational level in setting auto insurance rates.

H8013/S2679SubAas Amended- The bill will extend the time period when OEM parts are required to be used in the repair of new vehicles from 30 months to 48 months. It would also extend requirement to all parts damaged in a collision, and not just crash or sheet metal parts as under current law. Only 4 other states have any requirements regarding use of OEM, and no other state applies this to parts other than auto body parts.

S2444SubA – Exempts residential property from “vacant” property if renovation or rehabilitation is underway

### Insurance Regulations

**Note: The State of Rhode Island continues to transition regulations to an administrative code system.** The Department of Business Regulation has been assigned Title 230 and the Insurance Division has been assigned chapter 200. Any questions concerning the process or the status of a regulation should be sent to [dbr.insurance@dbr.ri.gov](mailto:dbr.insurance@dbr.ri.gov). **You will also notice that forms previously contained within a regulation have been (or are in the process of) being moved to the Bulletin page.** (See Bulletins 2018-5, 2018-3, 2017-4). These changes are required pursuant to the Office of Regulatory Reform.

### **Upcoming Hearing Notices; Amendments to Insurance Regulations:**

- Public Notice of Proposed Rulemaking  
230-RICR-20-5-2 (Formerly Regulation 16), Automobile Insurance Cancellation Hearing date: June 5, 2018.
- Public Notice of Proposed Rulemaking  
230-RICR-20-5-3 (Formerly Regulation 25), Automobile Insurance Rating Hearing date: June 5, 2018.
- Public Notice of Proposed Rulemaking  
230-RICR-20-05-8 (formerly Insurance Regulation 98), Rhode Island Automobile Insurance Plan Hearing date: June 14, 2018.
- See adopted, repealed and amended regulations

## **2017-2018 Insurance Bulletins worthy of noting:**

### **2018-6 Lender Placed Insurance Tracking Fees and Corporate Tax Rate-**

1. Prohibition on including tracking expenses and/or monitoring fees within lender placed property programs.
2. In light of recent changes to the corporate tax rate (from 35% to 21%), all rate filings submitted to the Department must reflect the new corporate tax rate in calculating the profit provision used to determine rate level indications. This applies to all future rate filings and any pending filing that is currently under the Department's review. As to previously approved rates, any insurer whose requested rate would be decreased as a result of the lower corporate tax rate should file the lower rate. If an approved rate would not be lowered by application of the new tax rate, because the insurers requested a rate below indications, or for any other reason, the insurer should not make a rate filing.

### **2017-2 2017 Legislative Changes**

Issued August 3, 2017, Amended December 8, 2017

Highlights legislation enacted during the 2017 Legislative Session

### **2017-2018 Industry Alerts:**

[http://www.dbr.ri.gov/divisions/insurance/industry\\_alerts.php](http://www.dbr.ri.gov/divisions/insurance/industry_alerts.php)

- [2018-1 March 2, 2018 Storm](#) Issued 3-8-2018 (Comment: Should industry feel triggering of the emergency adjuster statute is needed due to a storm, please reach out to us to discuss)
- [2017-5 E-Mail Contact for Service of Process upon Insurance Companies](#) Issued 12-8-17
- [2017-4 October 29, 2017 Storm](#) Issued 11-2-17
- [2017-3 Examinations for Insurance Producers, Motor Vehicle Damage Appraisers and Claims Adjusters](#) Issued 9-13-17 (transitioned to one-part exams- national uniformity)
- [2017-2 Division of Motor Vehicles Computer System Upgrade - New 8 digit RI Driver's Licenses](#) Issued 7-17-17

### **2017-2018 Consumer Alerts**

[http://www.dbr.ri.gov/divisions/insurance/consumer\\_alerts.php](http://www.dbr.ri.gov/divisions/insurance/consumer_alerts.php)

- [2018-2 Preparing for Spring's Extreme Weather](#) Issued 4-4-2018
- [2018-1 Insurance Checklist for the New Year](#) Issued 1-23-2018
- [2017-5 Credit Freezes and the Burn They Have on Hackers](#) Issued 12-27-2017
- [2017-4 Americans Are Driving Less, Yet Most Are Not Aware of Money-Saving Insurance Options](#) 7-5-2017
- [2017-3 Disaster Preparedness: Act Now to Make Filing a Claim Easier After the Storm](#)

### **Miscellaneous issues worthy of noting**

**CEAS (Corporate Emergency Access System):** RI DOI is working with RI EMA and BNET (Business Network of Emergency Resources) to develop a credentialing system (will ultimately replace vehicle placards) for adjusters and key/critical personnel during a CAT Event. CEAS membership is “inter-operable” across state lines that support the CEAS program. Currently in use in Commonwealth of MA, State of RI, and certain cities/boroughs in NY, CT (Stamford), and MD (Baltimore) for critical employees.

**Enforcement Actions/Consent Agreements:** Suggest licensees review frequently to ensure you are in compliance! Recent actions included failure to comply with 230-RICR-20-05-3.6 (formerly Regulation 25) with respect to timing of premium surcharges (renewal at annual anniversary of policy vs 6 months). Note, proposed changes to this Regulation will be heard on June 5<sup>th</sup> to remove language for policies written less than one year in response to a petition from insurers. The Dept. has not found any other state which prohibits surcharges at policy renewal. We are also proposing a section with regard to coding or reporting of chargeable and nonchargeable losses and requires prompt notification and premium adjustment when the coding is determined to be incorrect.

In conjunction with the hearing on auto rating noted above, we are also proposing changes to auto cancellation regulation that adds a section regarding insurers duties with regard to inaccurate information used in determining insurance scores; adding a definition to allow electronic notices at election of insured in accordance with RI’s Electronic Transactions Act whenever “mailed” and/or “delivered” is used in our regulations.

**NCCI-** RI recently approved -5.3% decrease in advisory loss costs to be effective August 1, 2018. Insurers are required to submit intention to adopt along with lcm’s by This is the 3<sup>rd</sup> consecutive decrease in RI since 2015.

**Self-Reporting:** We encourage licensees to self-report errors detected (i.e., rating errors and/or any non-compliance issues that result from internal reviews) to include information on #insureds/claimants impacted, remedy and corrective actions taken.

**Special reporting requirements: REMINDER:** All special reports must be filed electronically. 2018 special reporting requirements/instructions are posted on our website and provided yearly with Annual Statement filing instructions.

**Total Loss Claims: 230-RICR-20-40-2** (Formerly Regulation 73) The Dept. continues to see violations of total loss claim payments that fail to include title, registration and other fees incidental to the transfer of ownership of a comparable vehicle. Also see Bulletin 2014-2 for total loss valuation services.

**Use of Photos for auto claim settlements** – Insurers rolling out such programs must be mindful of RIGL §27-9.1-4(23) and 230-RICR-20-40-2 (Formerly Insurance Regulation 73) “Partial losses shall be settled on the basis of a written appraisal or for claims less than \$2,500 on the basis of an appraisal or estimate. We encourage insurers reach out to us before rolling out such programs in RI.

**Website:** Our website has been reformatted. We continue to make changes and improvements. Please feel free to reach out with any comments.

**NAIC Participation: RI Superintendent Elizabeth Kelleher Dwyer and/or designee**  
**2018 Letter Committee Assignments**

**"A"- Life Insurance and Annuities Committee, Member**

**"F"- Financial Regulation Standards and Accreditation Committee, Member**

**NIPR (National Insurance Producer Registry), RI Superintendent Dwyer, Board of Directors, Member**

**IIPRC (Interstate Insurance Product Regulation Commission), RI Superintendent Dwyer, Vice Chair**

**"EX"**

**Big Data (EX) WG- RI Superintendent Dwyer, Vice Chair**

**Executive Committee (EX) NE Zone: RI Superintendent Dwyer, Vice Chair**

**Government Relations (EX) Leadership Council, RI Superintendent Dwyer, Member**

**Innovation and Technology (EX) TF, Member**

**"A"**

**Annuity Disclosure (A) WG, Member**

**Annuity Suitability (A) WG, Member**

**Life Insurance Buyers Guide (A) WG, Member**

**"B"**

**Long Term Care Insurance (B/E) TF, Member**

**"C"**

**Advisory Organization Exam Oversight (C) WG, Member**

**Auto Insurance C/D WG, Member**

**Catastrophe Insurance (C) WG, Member**

**Lender-Placed Insurance Model Act (C) WG, Member**

**NAIC/IAIABC Joint (C) WG, Member**

**Surplus Lines (C) TF, Member**

**Travel Insurance (C) WG, Member**

**Terrorism Insurance Implementation (C) WG, Member**

**Workers' Compensation (C) TF, Member**

**"D"**

**Producer Licensing (D) TF, Member**

**Producer Licensing Uniformity (D) WG, Member Task Force, Member**

**Public Adjuster (C/D) WG, Member**

**Uniform Education (D) WG, Chair**

**"E"**

**Accounting Practices and Procedures (E) TF, Member**

**Examination Oversight (E) Task Force, Member**

**Financial Analysis Research and Development (E) WG, Member**

**Financial Analysis Handbook (E) WG, Member**

**Reinsurance (E)TF, Member**

**Receivership and Insolvency (E) TF, Member**

**Risk-Focused Surveillance (E)WG, Member**