

## Rhode Island

### Property & Casualty, Rate, Rule & Policy Form Filing Requirements

Effective October 1, 2007, all Filings and Fees must be submitted via SERFF and EFT payments. Please see Insurance Bulletin #2007-3 for further information.

Governing Rate Statutes:

Property, Casualty & Liability: RIGL §27-5, 27-6, 27-9, 27-44, and §27-65.

Workers' Compensation: RIGL 27-7.1 and Public Law 2003, Chapter 410

#### A. Department Contact Information:

Filings are assigned to Analysts based upon insurer group name. Insurers that are not part of a group are assigned to analyst based upon alpha split as noted below. Please see [Insurance Bulletin #2003-7](#) for additional information. Reviewer name, phone number and email address are listed below to facilitate your contact with the respective analyst.

<b>P&amp;C Insurance Groups</b>	<b>Reviewer</b>	<b>Telephone</b>	<b>Email Address</b>
<b>A-D, T-Z</b>	Raymond Boisse	(401) 222-5457)	<a href="mailto:rboise@db.state.ri.us">rboise@db.state.ri.us</a>
<b>E-S All Workers Compensation</b>	Candace Casala	(401) 222-5452	<a href="mailto:ychts@db.state.ri.us">ychts@db.state.ri.us</a>

#### B. Filing Requirements:

1. All filings along with applicable fees must be submitted via SERFF. Please see Insurance Bulletins #2007-3 and #2002-13. Filing fees are calculated on a retaliatory basis pursuant to RIGL §42-14-18 and §27-2-17. Filings fees are not required for withdrawals of filings (without replacements), or for non-adoption of advisory/ rating organizations filings. All other filings require a filing fee.

2. Rate/Rule Filings: RI no longer requires the NAIC Uniform Transmittal Document or the RI Rate General Form, however, in order to accept the filing, insurers must complete, in its entirety, the State Specific Rate Data fields in SERFF along with the RI Rate Procedural Information Summary, which should be attached to the actuary support. The Rate Procedural Information Summary Form has been updated effective May 2008. Insurers must complete the RI Rate Procedural Information Summary for each new and revised rate filing in accordance with the instructions provided. While the insurer may attach/link exhibits to respective interrogatories, referring the Department to other exhibits to "find" information is not proper protocol for form completion. In addition, for filings submitted under "flex rating" statutes under RIGL §27-6-8.1 and §27-9-7.3, additional information is required in the transmittal document. Please see Insurance Bulletin #2005-9 for guidance on submitting flex filings.

3. For revisions to existing policy form filings, rules, or deviations from advisory or rating organization forms, insurers are required to provide a side-by-side comparison of the revisions. Such revisions must be identified by underlining, highlighting or strike-throughs. In addition, insurers must provide an explanation as to the impact such revisions have on existing coverage, i.e., broadening or restricting coverage, as well as impact on rate.

**C. Exemptions from Filing:**

1. Commercial Special Risks- Please see RIGL 27-65-1 *et seq.* for an inclusive list of commercial lines products that are NOT subject to rate and form filing requirements, generally including Excess and Umbrella, “A” Rates, Highly Protected Risks, Aviation, Credit Property, Mechanical Breakdown (formerly: Boiler and Machinery), Inland Marine, and Fidelity and Surety Risks. A disclosure notice must be provided to the insured and records of disclosure must be maintained by the insurer. Disclosure notices are NOT required to be filed with the Department.
2. Exceptions under RIGL §27-16-1.2: Ocean Marine and Industrial Insured Risks are exempt from filing requirements. Please see RIGL §27-16-1.2 for additional information on these exceptions.
3. Applications, Disclosure Notices, Cancellation Notices and Non-Renewal Notices are NOT required to be filed with the Department.
4. Underwriting Guidelines are NOT required to be filed with the Department. If different rating tiers are used to rate business, the insurer must have underwriting guidelines that clearly delineate which risks are acceptable for each tier within an insurer or group of insurers.

**D. Prohibitions and/or specific statutory mandates should be considered when preparing filings:**

1. **Defense costs within limits:** The Department does not allow defense costs or claims expenses within the limits of liability. However, we would allow defense costs and claims expenses within the limits if the insured is made aware of the reduction in coverage by signing and acknowledging an endorsement, form or letter. Records of acknowledgement must be retained by the insurer and are NOT required to be filed with this Department.
2. **Family exclusion clauses:** The Department does not allow family exclusion clauses in automobile liability insurance policies. In *Glaude v. The Continental Insurance Company*, the RI Supreme Court ruled that a family exclusion clause in a personal automobile policy is invalidated by the statutory requirement contained in RIGL §31-47-2(12)(i) in that every owner’s policy must provide coverage for damages arising out of bodily injury to any person.
3. **Flood Notice Requirements: RIGL §27-5-3.6** The law requires a notice to policyholders advising that the standard fire policy may not provide coverage caused by floods. The notice must be clear and conspicuous to the policyholder. The insurer must provide information on the National Flood Insurance Program and that an insured may contact his/her producer or insurer for further information. Insurers are not required to file the notice with this Department.
4. **Hurricane Deductibles, Triggers and Policyholder Notices-** All residential property insurance rates and policy form filings must fully comply with RIGL §27-5-3.7 and Insurance Regulation 110.

**5. Individual Risk Premium Modification Plans (IRPM)/Scheduled Rating:**

The Department allows the use of I.R.P.M. factors of *up to plus or minus forty percent* (+ or - 40%). The criteria must be filed with the Department. See Insurance Bulletin #2007-11 and #2007-5 additional information on proper application and required documentation to be maintained when utilizing scheduled credits/debits.

**6. Late Payment of Premiums:** RIGL 27-29-13.1 provides a maximum fee or charge of \$10.00 for any late payment of premium by a policyholder for any property, casualty, fire and marine or liability policy. A late fee may not be imposed unless payment is received more than five (5) business days following the date payment is due.

**7. Lead Liability Exclusions:** The Department will not approve lead liability exclusions for pre-1978 residential rental properties unless the filings fully comply with RIGL §42-128.1-9, the Lead Hazard Mitigation Act, and Insurance Regulation 101.

**8. Mold Exclusions/Limitations:** The Department will not approve mold exclusions or limitations unless the filings fully comply with Insurance Bulletin #2003-2.

**9. Premium Financing Agreements:** RIGL §19-14.6-5 requires that when a policy is cancelled at the request of the premium finance company, it must be computed *on a pro rata basis*.

**10. Rescission of Automobile Liability Insurance:** RIGL §31-47- See [Insurance Bulletin #2003-3](#) and Insurance Regulation 16, Section 10 relating to the prohibition of rescission of automobile liability coverage.

**11. Return Premiums:** Insureds shall have the right to request return premiums regardless of the amount to be returned. Suggested policy language: “Any return premium less than \$5.00 (or the amount approved by DBR) will not be returned, unless requested by insured.” For Fire Insurance Policies see RIGL §27-5-3, which requires prompt refund of excess premiums.

**12. Spanish Translated Forms:** For insurers seeking approval to issue Spanish forms, the Department requires that the English form be filed for approval in addition to the Spanish form. The company must certify that the Spanish form is an exact copy of the English form submitted.

**13. Telephone number-Toll free or collect:** RIGL §27-2-1.1 requires every insurer doing business within this state to have a toll free telephone number or provide collect charge telephone service for use by the general public when calling the insurer from any location. Therefore, the Department requires that insurers provide such telephone number on policies/correspondence issued to RI residents.

**14. Terrorism Exclusions:** Insurance Bulletin #2008-3 provides expedited filing procedures for exclusions related to Acts of Terrorism.

**15. Unearned Premiums-Cancellation provisions:** RIGL 27-29-13.2 provides that every insurance policy shall provide clear language on the method of calculation of the unearned premium portion (pro-rata vs. short-rate vs. fully-earned) to be returned to the insured if the policy is cancelled. **The Department is of the opinion that the exact penalty percentage, if applicable, should be clearly stated in the cancellation provisions provided for in each policy.** Insurance policies shall not state “refer to manuals” to determine the amount of unearned premium to be returned. Insurers shall

not impose cancellation fees when insurance policies are cancelled using short rate tables. All fees and penalties imposed on insureds must be supported.

**E. Additional Statutory References: In addition to the above, please pay particular attention to the following Rhode Island statutes, regulations and/or bulletins when preparing rate, rule and policy form filings\*:**

**Cancellations/Nonrenewal Provisions:**

Auto/Motor Vehicle: RIGL § 27-8-11, § 27-9-4, § 27-9-56, §27-29-13, § 27-29-13.2, § 19-14.6-4, § 31-47-4, § 45-19-17 and Insurance Regulations 16, 25 and 97 and Insurance Bulletins #2002-16, 2003-3 and 2005-5

Property: RIGL §27-5-3, 27-5-3.4, 27-5.3-7, 27-6-53, 27-29-4(7), 27-29-4.1, 27-29-13.2, 27-29-17 through 17.4, and § 19-14.6-4, and Insurance Regulations 15, 38 and 110, and Insurance Bulletins #2007-9, 2006-5, 2003-9, and 2002-16

Workers' Compensation: RIGL §27-7.1-19, 28-36-12, and Insurance Bulletins #2006-1 and 2006-3

Commercial Lines: RIGL §27-29-17 and Insurance Regulation 38

Cancellation of Group Insurance: RIGL §27-37-1

**Motor Vehicle Insurance Rating and Miscellaneous Requirements:**

Automated Traffic Violation Monitoring Systems: RIGL § 31-41.2-7.1

Chargeable Accidents/Surcharges: RIGL § 27-9-4, 27-9-53, 45-19-17 & Regulation 25

Consent to Rate: RIGL §27-9-13, §27-44-6 and Insurance Regulation 20

Credit Rating: RIGL §27-6-53, Insurance Regulation 16, 25 and Bulletin #2002-16

Direct Liability of Insurer to Injured Person: RIGL §27-7-1

Family exclusion clauses: RIGL §31-47-2(12)(i)

Flex rating for non-business policies §27-6-8.1 and [Insurance Bulletin #2005-9](#)

Independent Medical Examination: RIGL §27-9.2-1 & Insurance Regulation 79

Late Payment of Premium: RIGL §27-29-13.1

Mandatory Arbitration Provisions: RIGL §27-10.3

Mandated Installment Payments: RIGL §27-29-13

Medical Payments Minimum Coverage: RIGL §27-7-2.5

Motor Vehicle Replacement Parts: RIGL §27-10.2 and [Insurance Bulletin #2004-4](#)

Premium Reductions: RIGL §27-9-5.1, 27-9-7.1, 27-9-7.2 & Regulations 25, 84

Rating- RIGL §27-9, 27-44, Insurance Regulations 10, 16, 25, 98, Insurance Bulletins #2005-5, #2005-8, #2005-9 and #2007-10

Rental Coverage: RIGL §27-7-6, §31-34-4

Rescission of Automobile Liability Insurance: RIGL §31-47-1, Insurance Bulletin #2003-3 and Insurance Regulation 16.

Seasonal Vehicles/Active Duty Military Personnel: RIGL §31-47-15.1 and 31-47-15.2

Stacking: RIGL §27-7-2.1(i)

Subrogation: RIGL §27-7-2.1(f)(h), 27-8-12, Regulation 73, 7C, and Bulletin #2002-1

Territories- RIGL §27-9-4.1, Insurance Regulation 62 and [Insurance Bulletin #2005-8](#)

Uninsured Motorist Coverage and Rejection Form: §27-7-2.1 and Regulation 10

**Property, Casualty and/or Liability rating and miscellaneous requirements:**

Condominium Coverage Provisions: RIGL §34-36.1-3.13

Conformity to Statute: RIGL §27-5-2

Consent to Rate: RIGL §27-6-14, §27-44-6 and Insurance Regulation 20

Disclosure of Arson Conviction: RIGL §27-54-8

Flex rating for non-business policies §27-9-7.3 and [Insurance Bulletin #2005-9](#)

Flood Notice RIGL §27-5-3.6  
Hurricane Deductibles, Triggers and Notices-RIGL §27-5.3-7 and Regulation 110  
Lead Liability Exclusions: RIGL §42-128.1-9 and Insurance Regulation 101  
Medical Malpractice Contractual Right to Settle RIGL §42-14-2.1b  
Mold Exclusions/Limitations: [Insurance Bulletin #2003-2](#)  
Municipal Liens of Fire Insurance Proceeds RIGL §45-47  
Standard Fire Provisions: RIGL §27-5  
Terrorism Exclusions: Insurance Bulletin #2008-3

**Workers' Compensation rating and miscellaneous requirements:**

Benefits: RIGL §28-33, 28-34  
Consent to Rate: RIGL 27-7.1-6.2  
Direct Liability Provisions: RIGL §28-36-11  
Employee's Liens Provisions: §28-36-6  
Group Self-Insurance: RIGL §28-47 and Insurance Regulation 33  
Liability of Employer Policy Provisions: §28-36-5  
Procedures: RIGL §28-35  
Rating: RIGL §27-7.1 and Public Law 2003, Chapter 410  
Membership in rating organization: § 27-7.1-9.1  
Midterm Notice of Cancellation §27-7.1-1  
Notice of Jurisdiction Policy Provisions: RIGL §28-36-4  
Safety Inspections: RIGL 28-36-18  
Terrorism Exclusions: Insurance Bulletin #2008-3

**General Information (not necessarily required within a filing):**

Comparative Negligence: RIGL 9-20-4  
Credit Reports: RIGL §6-13.1-21 through 23  
Fraudulent Activity Reporting Requirements: Insurance Bulletin #2003-8  
Honoring Direction to Pay: RIGL §27-9.1-4(17) and (18)  
Notice of Material Changes: RIGL §27-8-11, Insurance Regulations 38 and 97  
Rebating Prohibited: RIGL §27-8-7, §27-9-44, and §27-29-4(8)  
Settlements/Notice to Claimants: RIGL §9-1-50, § 27-7-7, § 27-9.1-4.1  
Unfair Claims Settlement Practices Act: RIGL §27-9.1 & Insurance Regulation 73  
Uniform Electronic Transactions Act: RIGL § 42-127.1

F. **Filings of Previously Approved Forms due to change in name, officer, address and/or merger with licensed insurers.** [Insurance Bulletin #2005-7.](#)

G.) Forms submitted for approval due to an **assumption or transfer of business** must be submitted in compliance with the Assumption Reinsurance Act under RIGL §27-53.1, if applicable. This act mandates the filing requirements including notice, affidavit and disclosure requirements. Filings submitted for approval under RIGL §27-53.1 must be submitted to the attention of Matthew A. DiMaio, Principal Licensing Insurance Examiner of this Division, for review.

H.) Procedures for **surrendering and non-renewal of licenses of any line or all lines of business** by insurers licensed to write insurance in Rhode Island must comply with the filing requirements mandated under Insurance Regulation 58. Filings submitted under Regulation 58 must be submitted to the attention of Matthew A. DiMaio, Principal Licensing Insurance Examiner of this Division, for review.

I.) Insurers **withdrawing** from a line of business but not wishing to surrender or amend its license must comply with all applicable non-renewal and cancellation provisions provided above. Further, insurers should refer to RIGL §27-2.4-20 regarding revocation or modification of insurance producer's contract where applicable.

**\*It should be noted that the above-noted statutory references may not be all inclusive, rather, the above references provide assistance when preparing filings and/or compliance related matters. It is the insurers responsibility to keep current with applicable RI statutes, Regulations as well as Insurance Bulletins issued by this Department. Please refer to the applicable statutory references, Insurance Regulations and Insurance Bulletins posted on our website.**

Insurance Regulations and Bulletins may be accessed @ [www.dbr.state.ri.us](http://www.dbr.state.ri.us)  
RI General Laws may be accessed @ [www.rilin.state.ri.us/Statutes/Statutes.html](http://www.rilin.state.ri.us/Statutes/Statutes.html)

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**6/5/2008**