

NOTE

**This Bulletin expired effective December 31, 2005.
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Department of Business Regulation
233 Richmond Street
Providence, RI 02903

Insurance Bulletin Number 2005-5

Automobile Insurance Rate Increases

The Department has filed amendments to Insurance Regulations 16, 25 and 62 following a hearing and consideration of all public comment. In response to public comment regarding the time necessary to implement the changes mandated by these amendments, the Department has set an effective date of December 31, 2005 for these Regulations. The Department encourages all insurers to file the amendments to rates, rules and policy forms in order to comply with the revised Regulations no later than September 1, 2005 to allow sufficient time for review. After December 31, 2005, a policy may not be written in accordance with a previously approved rate, rule or policy form unless it is in full compliance with these Regulations.

Because of the delayed effective date of these Regulations, the Department has decided to post both the current version and the amended version of Regulations 16, 25 and 62 on its website. Therefore, until December 31, 2005 the current version of each regulation will be listed in the table of contents under the regulation number and the version to be effective December 31, 2005 will be listed as [16a](#), [25a](#) or [62a](#).

In light of the Department's interpretation of [R.I.G.L. § 27-9-1 et seq.](#), effective immediately, insurers are prohibited upon renewal of any affected policy from moving an insured into a higher-rated tier unless the movement is permissible under the law (set forth in Sections 7 and 8 of amended Regulation 25). If movement between tiers results in a premium increase, such movement may take place only if the reason is permissible under R.I.G.L. § 27-9-1 *et. seq.* For example, an individual in a tier which, as a qualifying criteria for the tier, requires that the individual be under age 65, may not be moved into a tier with a higher premium when he or she turns 65, unless the movement is based upon criteria established in the tier or permissible by law other than age. Another example is an individual in a tier which contains qualifying criteria that the insured has suffered no losses for a set period. That insured may not be moved into a tier in which he or she would be charged a higher premium because he or she suffers a loss which is not "chargeable." The Department considers such movements to be in violation of statute and will take appropriate regulatory action against any insurer that engages in such practices. Insurers will be required to refund insureds for any increase not permissible under the law and may be subject to further administrative penalties.

Filings pending with the Department for any rate, rule or policy form that provide for placement of insureds or movement between tiers in violation of these statutes will not be approved. All insurers will be required to bring pending filings into compliance with the amended Regulations.

Joseph Torti III
Associate Director and Superintendent of Insurance
May 12, 2005