



**Department of Business Regulation**  
**Insurance Division**  
1511 Pontiac Avenue, Bldg. 69-2  
Cranston, Rhode Island 02920

## **Insurance Bulletin Number 2012-2**

### **2012 Legislative Changes**

The following legislative amendments were enacted during the 2012 session of the Rhode Island General Assembly. This information is being provided in accordance with [R.I. Gen. Laws § 27-71-14\(a\)](#). This bulletin is being provided for informational purposes only and may not be an all-inclusive list of enactments that impact the insurance industry. Licensees should refer to the statute itself to determine the impact. Any person wishing to be included in these annual notifications pursuant to R.I. Gen. Laws § 27-71-14(b) who is not currently on the interested parties list should send an email request to [DBR.InsNotice@dbr.ri.gov](mailto:DBR.InsNotice@dbr.ri.gov)

#### **Financial Solvency and Receivership**

[H7481Aaa](#)

[2012 P.L. ch. 308](#)

Effective June 20, 2012

[S2598A](#)

[2012 P.L. ch. 335](#)

Effective June 20, 2012

This legislation was introduced at the request of the Department to update the mutual holding company statute and to amend provisions of the liquidation and rehabilitation statute to comply with Dodd Frank. This act took effect upon passage.

#### **Weather Related Losses**

[H7484A](#)

[2012 P.L. ch. 83](#)

Effective May 21, 2012

[S2597A](#)

[2012 P.L. ch. 64](#)

Effective May 14, 2012

This legislation was introduced at the request of the Department to address issues with residential homeowners policies due to weather related events. The statute moved former R.I. Gen. Laws § 27-5-3.7 to the first section of new R.I. Gen. Laws §§ 27-76. Additional sections in the chapter address: application of hurricane deductibles to multiple hurricanes in one season; mediation program for claims in the event of a hurricane; ability of department to issue temporary orders relating to reporting requirements, grace periods and cancellations in the event of a hurricane; use of catastrophic claims experience; use of mitigated prior owner claims experience and use of *de minus* single claims. Sections 3, 4, 7 and 8 are effective with regard to policies that issue or renew on or after January 1, 2013. The remaining sections are effective on passage. The Department will be amending Insurance Regulation 110 to address these statutory changes.

**Typographical Errors**

[H7358A](#)                      [2012 P.L. ch. 84](#)                      Effective May 21, 2012  
[S2594A](#)                      [2012 P.L. ch. 66](#)                      Effective May 14, 2012

This legislation was introduced at the request of the Department to correct typographical errors in Titles 19 and 27. The corrections were made to R.I. Gen. Laws §§ 19-14.10-13, 27-1-40.1, 27-10.1-2 and 42-14-21. The provisions of 27-1-40.1 were subsequently amended by 2012 P.L. ch. 308 and 335 rendering these changes a nullity. This act took effect upon passage.

**Work Completed Form and Emergency Appraisers**

[H7692](#)                      [2012 P.L. ch. 298](#)                      Effective June 20, 2012  
[S2667](#)                      [2012 P.L. ch. 329](#)                      Effective June 20, 2012

This legislation was introduced at the request of the Department to remove the requirement for a “work completed form” in auto body repair and allow for emergency appraiser licensing during catastrophes. This act took effect on passage. The Department will be amending Insurance Regulation 78 and Commercial Licensing Regulation 4 to address these statutory changes.

**Life Insurance**

[H7775A](#)                      [2012 P.L. ch. 296](#)                      Effective June 20, 2012

This legislation was introduced at the request of the Department to authorize (1) the development of a database to assist beneficiaries in locating life insurance policies, (2) adding twisting and churning as unfair trade practices and (3) making certain clarifying amendment to the Life and Health Guaranty Association statute. Additional guidance on the database will be forthcoming. The first two provisions of the act are effective for policies issued on or after January 1, 2013. The provision concerning the guaranty association is effective on passage.

**Emergency Appraisers**

[H7026](#)                      [2012 P.L. ch. 321](#)                      Effective June 20, 2012  
[S2662](#)                      [2012 P.L. ch. 330](#)                      Effective June 20, 2012

This legislation was introduced to provide for the licensing of appraisers on a temporary basis following a catastrophe. This act took effect on passage.

**Portable Electronics**

[H7478aa](#)                      [2012 P.L. ch. 247](#)                      Effective July 1, 2012  
[S2538Aaa](#)                      [2012 P.L. ch. 136](#)                      Effective July 1, 2012

This legislation allows for the licensing of portable electronic insurance vendors. This act takes effect July 1, 2012.

**Loss Information**

<a href="#">H7479A</a>	<a href="#">2012 P.L. ch. 191</a>	Effective January 1, 2013
<a href="#">S2388A</a>	<a href="#">2012 P.L. ch. 198</a>	Effective January 1, 2013

This legislation amends R.I. Gen. Laws § 27-29-17.5 which addresses loss information that must be provided to an insured or authorized agent. This act takes effect January 1, 2013. The Department will be amending Insurance Regulation 38 to address these statutory changes.

**Uninsured Employers Fund**

<a href="#">H7614</a>	<a href="#">2012 P.L. ch. 182</a>	Effective June 8, 2012
<a href="#">S2301A</a>	<a href="#">2012 P.L. ch. 149</a>	Effective June 5, 2012

This legislation extends the effective date of the Uninsured Employers Fund to fiscal year 2013. This act took effect upon passage.

**Automobile Insurance – Online Prevention Course**

<a href="#">H7673A</a>	<a href="#">2012 P.L. ch. 300</a>	Effective June 20, 2012
<a href="#">S2947A</a>	<a href="#">2012 P.L. ch. 322</a>	Effective June 20, 2012

This legislation amends R.I. Gen. Laws § 27-9-7.1 to allow for online prevention courses. This act took effect upon passage.

**Health Insurance Primary Provider Designation**

<a href="#">H7687</a>	<a href="#">2012 P.L. ch. 189</a>	Effective June 11, 2012
<a href="#">S2129</a>	<a href="#">2012 P.L. ch. 202</a>	Effective June 11, 2012

This legislation requires subscribers to designate a primary care provider and health insurers to collect that designation. This act will take effect for policies issued on or after January 1, 2013.

**Property & Casualty Insurance Producer Contract Modification**

<a href="#">H7793Aaa</a>	<a href="#">2012 P.L. ch. 243</a>	Effective June 14, 2012
<a href="#">S2389Aaa</a>	<a href="#">2012 P.L. ch. 211</a>	Effective June 12, 2012

This legislation sets forth the notice requirements necessary for an insurer to cancel or modify an insurance producer contract. This act took effect upon passage.

**PPACA Compliance**

<a href="#">H7909A</a>	<a href="#">2012 P.L. ch. 256</a>	Effective June 18, 2012
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This legislation was introduced at the request of the Office of the Health Insurance Commissioner to bring Rhode Island law into compliance with the federal Patient Protection and Affordable Care Act. This act took effect upon passage

**Autism Spectrum Disorder**

[H7165A](#)

[2012 P.L. ch. 397](#)

Effective June 21, 2012

[S2560Aaa](#)

[2012 P.L. ch. 361](#)

Effective June 21, 2012

This legislation amends the autism spectrum mandate applicable to health benefit plans. This act took effect upon passage.

Copies of Rhode Island [Insurance Regulations](#), [Insurance Bulletins](#) and applicable [Rhode Island General Laws](#) are accessible through these links or by visiting the Department's website at [www.dbr.ri.gov](http://www.dbr.ri.gov). Copies of the [Senate and House bills](#) are accessible through these links or by visiting the Rhode Island General Assembly website at [www.rilin.state.ri.us](http://www.rilin.state.ri.us). In light of the above amendments, insurers are required to review current policy forms, rules and rates to determine if new and/or revised filings are required and to timely submit such filings in SERFF for the Department's review and approval.

Joseph Torti III  
Superintendent of Insurance  
July 16, 2012