



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

Insurance Bulletin Number 2015-6

2015 Legislative Changes

The following legislative amendments were enacted during the 2015 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.

Making Government Work

[H6179](#)

[2015 P.L. ch. 82](#)

Effective June 17, 2015

[S0939](#)

[2015 P.L. ch. 105](#)

Effective June 19, 2015

This legislation was introduced at the request of the Department to amend a number of provisions of the insurance code as follows:

1. Clarifies the term of licensure for motor vehicle damage appraisers to be biennial and sets the fee at \$150 to match that of producers and adjusters; removes the requirement for an annual report to the legislature and clarifies that motor vehicle damage appraisers are subject to the same penalty statute as other licensees. (Section 11)
2. Removes the requirement that the Department provide written annual reports on the status of licensed insurance companies to the legislature and substituted the electronic information which the Department makes available or displays on its website. (Section 12)
3. Clarifies the ability of the Department to act as a group-wide supervisor and other activities with regard to insurers with internationally active insurance groups. (Section 13)
4. Adds directors and officers risks to the list of commercial special risks for which insurers are not required to file and obtain approval for forms or rates. (Section 14)
5. Adds section to Credit for Reinsurance allowing cut through clauses in limited circumstances. (Section 18)

Workers Compensation

[H6152A](#) [2015 P.L. ch. 116](#) Effective June 19, 2015
[S874A](#) [2015 P.L. ch. 104](#) Effective June 19, 2015

This legislation amends the medical advisory board requirements to omit the requirement for a neurosurgeon and add one additional physician for a total of four *ad hoc* physician members; allows for the use of electronic fund transfers for compensation upon the meeting of specific requirements; continues the compensation structure for partial incapacity through 2021 and continues the uninsured employers fund through June 30, 2017.

Motor Vehicle Glass Repairers

[S334B](#) [2015 P.L. ch. 146](#) Effective January 1, 2016

This legislation creates a separate license for motor vehicle glass repairers and transfers those currently licensed as auto body repair facilities that perform only motor vehicle glass repair to the new license. The legislation also adds R.I. Gen. Laws § 27-29-4(16) which provides specific prohibitions against steering in motor vehicle glass repair.

Auto Body Classifications

[H5491Aaa](#) [2015 P.L. ch. 154](#) Effective January 1, 2016
[S783Aaa](#) [2015 P.L. ch. 142](#) Effective January 1, 2016

This legislation creates two classifications of Auto Body Repair Facilities and requires that insurers that are subject to the auto body labor rate survey perform separate surveys for each classification. Insurers must establish and report separate labor rates for those facilities and may not use rates from direct repair shops, rates paid as a result of subrogation, rates obtained from a different classification of facility or rates from limited or special use license shops. The Department will be amending Insurance Regulation 108 accordingly.

Mortgage Foreclosure Mediation

[S0581B](#) [2015 P.L. ch. 147](#) Effective July 2, 2015

This legislation made amendments to the mortgage foreclosure mediation process enacted in 2013 and amended in 2014. The amendments add references to the federal and state Servicemember's Civil Relief Act, change the word "void" in section (m) to "voidable" and adds an exemption for mortgages with a default date on or before May 16, 2013.

Ancient Mortgages[S0502A](#)[2015 P.L. ch. 96](#)

Effective June 19, 2016

This legislation changed the time period for expiration of mortgages from fifty (50) to thirty five (35) years and the extension period from ten (10) to five (5) years, and provides that upon expiration of the period the mortgage shall be treated for title purposes as if it had been properly discharged by the record holder.

Identity Theft Protection[S0134B](#)[2015 P.L. ch. 138](#)

Effective June 26, 2016

[H5220A](#)[2015 P.L. ch. 148](#)

Effective July 2, 2016

This legislation requires that any person or entity that stores, collects, processes, maintains, acquires, uses, owns or licenses personal information about a Rhode Island resident implement and maintain a risk-based security program and take certain steps to safeguard that information.

Any Willing Provider[H5046](#)[2015 P.L. ch. 223](#)

Effective July 10, 2015

[S0168](#)[2015 P.L. ch. 205](#)

Effective July 10, 2015

This legislation requires that insurers not discriminate against any health care provider acting within the scope of that provider's license or certification as long as the provider is willing to abide by the terms and conditions for participation established by the insurer. The statute does not prohibit differing rates based on quality or performance measures.

Mental Health Parity[H5837A](#)[2015 P.L. ch. 236](#)

Effective July 10, 2015

[S0490A](#)[2015 P.L. ch. 209](#)

Effective July 10, 2015

This legislation requires that insurers rely upon the criteria for the American Society of Addiction Medicine when developing coverage for levels of care for substance use disorder treatment.

House Commission on Economic Risk Due to Flooding and Sea Rise[Resolution 392](#)

Enacted June 17, 2015

This Resolution creates the House Commission on Economic Risk Due to Flooding and Sea Rise to conduct a study. The commission is to consist of eleven members including a representative of the insurance industry to be appointed by the Speaker of the House. The commission shall report its findings and recommendations to the House of Representatives no later than January 1, 2016 and shall expire February 6, 2016.

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. 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. 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
August 13, 2015