

State of Rhode Island and Providence Plantations  
DEPARTMENT OF BUSINESS REGULATION  
*Division of Insurance*  
233 Richmond Street  
Providence, RI 02903

INSURANCE REGULATION 62

PLAN OF AUTOMOBILE INSURANCE RATING TERRITORIES

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**Section 1**     *Authority and Purpose*

~~This Regulation is promulgated in accordance with~~Pursuant to R.I. Gen. Laws §§27-9-4.1, 42-14-17 and 42-35-3.

Section 2     Purpose

~~, the Director of the Department of Business Regulation hereby promulgates the~~The purpose of this Regulation is to ~~following plan setting set~~ forth the automobile insurance rating territories to be employed in future requests for rate relief and to be implemented by no later than December 31, ~~1983~~2004, irrespective of whether a filing for rate relief has been made. These territories, ~~including rate differentials,~~ shall be used as the basis for automobile insurance rates unless the insurance carriers can establish alternative territories and/or rate differentials substantiated by actuarially sound data.

In the absence of such actuarially sound data being supplied pursuant to ~~G.L. 1956 (Reenactment)~~R.I. Gen. Laws -§§ 27-9-10 and with the provision and understanding that supporting data be on the basis of “zip codes” ~~split into their component “town” pieces,~~ the following plan will be utilized.

Section 3     Definitions

As used in this Regulation:

- a) “Carrier” shall mean any insurer licensed to write and writing private passenger automobile insurance delivered or issued for delivery in this state.
- b) “Department” shall mean the Department of Business Regulation.
- c) “Insurance Commissioner” shall mean the Director of the Department of Business Regulation or his or her designee.
- d) “Rating Bureau” shall mean any organization that evaluates and classifies rates and files and obtains approval of rates on behalf of its member companies including advisory organizations as defined by R.I. Gen. Laws § 27-9-30 and rating organizations as defined by R.I. Gen. Laws § 27-44-2(g).
- e) “Statistical Agent” shall mean any organization that collects information from carriers and transmits such information to the Department, at the Department’s request pursuant to R.I. Gen. Laws § 27-9-38.

**Section 24 Plan of Rating Territories**

The following plan of rating territories is hereby promulgated, ~~with Territory 1 having the highest rating and Territory 4 the lowest.~~

~~— Territory 1: — Providence~~

~~Territory 2: — Central Falls, Cranston, Cumberland, East Greenwich, East Providence, Johnston, North Providence, Pawtucket, Warren, Warwick, West Warwick, and Woonsocket.~~

~~Territory 3: — Coventry, Lincoln, Middletown, Narragansett, Newport, North Kingstown, North Smithfield, South Kingstown, Tiverton, and West Greenwich.~~

~~Territory 4: — Barrington, Bristol, Burrillville, Charlestown, Exeter, Foster, Glocester, Hopkinton, Jamestown, Little Compton, New Shoreham, Portsmouth, Richmond, Seituate, Smithfield, and Westerly.~~

Territory 1:

<u>Zip Code</u>	<u>Name</u>
<u>02801</u>	<u>Adamsville</u>
<u>02804</u>	<u>Ashaway</u>
<u>02807</u>	<u>Block Island</u>
<u>02808</u>	<u>Bradford</u>
<u>02813</u>	<u>Charlestown</u>

<u>02832</u>	<u>Hope Valley</u>
<u>02833</u>	<u>Hopkinton</u>
<u>02835</u>	<u>Jamestown</u>
<u>02836</u>	<u>Kenyon</u>
<u>02837</u>	<u>Little Compton</u>
<u>02840</u>	<u>Newport</u>
<u>02841</u>	<u>Newport</u>
<u>02842</u>	<u>Middletown</u>
<u>02871</u>	<u>Portsmouth</u>
<u>02873</u>	<u>Rockville</u>
<u>02878</u>	<u>Tiverton</u>
<u>02879</u>	<u>Wakefield</u>
<u>02880</u>	<u>Wakefield</u>
<u>02883</u>	<u>Peace Dale</u>
<u>02891</u>	<u>Westerly</u>
<u>02894</u>	<u>Wood River Junction</u>
<u>02898</u>	<u>Wyoming</u>

Territory 2:

<u>Zip Code</u>	<u>Name</u>
<u>02861</u>	<u>Pawtucket</u>
<u>02914</u>	<u>East Providence</u>
<u>02916</u>	<u>Rumford</u>

Territory 3:

<u>Zip Code</u>	<u>Name</u>
<u>02806</u>	<u>Barrington</u>
<u>02809</u>	<u>Bristol</u>
<u>02872</u>	<u>Prudence Island</u>
<u>02885</u>	<u>Warren</u>
<u>02915</u>	<u>Riverside</u>

Territory 4:

<u>Zip Code</u>	<u>Name</u>
<u>02812</u>	<u>Carolina</u>
<u>02852</u>	<u>North Kingstown</u>
<u>02874</u>	<u>Saunderstown</u>
<u>02875</u>	<u>Shannock</u>
<u>02877</u>	<u>Slocum</u>
<u>02881</u>	<u>Kingston</u>

<u>02882</u>	<u>Narragansett</u>
<u>02892</u>	<u>West Kingston</u>

Territory 5:

<u>Zip Code</u>	<u>Name</u>
<u>02802</u>	<u>Albion</u>
<u>02814</u>	<u>Chepachet</u>
<u>02815</u>	<u>Clayville</u>
<u>02816</u>	<u>Coventry</u>
<u>02817</u>	<u>West Greenwich</u>
<u>02818</u>	<u>East Greenwich</u>
<u>02822</u>	<u>Exeter</u>
<u>02823</u>	<u>Fiskeville</u>
<u>02825</u>	<u>Foster</u>
<u>02827</u>	<u>Greene</u>
<u>02828</u>	<u>Greenville</u>
<u>02829</u>	<u>Harmony</u>
<u>02831</u>	<u>Hope</u>
<u>02838</u>	<u>Manville</u>
<u>02857</u>	<u>North Scituate</u>
<u>02865</u>	<u>Lincoln</u>
<u>02917</u>	<u>Smithfield</u>

Territory 6:

<u>Zip Code</u>	<u>Name</u>
<u>02824</u>	<u>Forestdale</u>
<u>02826</u>	<u>Glendale</u>
<u>02830</u>	<u>Harrisville</u>
<u>02839</u>	<u>Mapleville</u>
<u>02858</u>	<u>Oakland</u>
<u>02859</u>	<u>Pascoag</u>
<u>02864</u>	<u>Cumberland</u>
<u>02876</u>	<u>Slatersville</u>
<u>02895</u>	<u>Woonsocket</u>
<u>02896</u>	<u>North Smithfield</u>

Territory 7:

<u>Zip Code</u>	<u>Name</u>
<u>02860</u>	<u>Pawtucket</u>
<u>02862</u>	<u>Pawtucket</u>

<u>02863</u>	<u>Central Falls</u>
<u>02906</u>	<u>Providence</u>
<u>02912</u>	<u>Providence</u>

Territory 8:

<u>Zip Code</u>	<u>Name</u>
<u>02886</u>	<u>Warwick</u>
<u>02887</u>	<u>Warwick</u>
<u>02888</u>	<u>Warwick</u>
<u>02889</u>	<u>Warwick</u>
<u>02893</u>	<u>West Warwick</u>
<u>02921</u>	<u>Cranston</u>

Territory 9:

<u>Zip Code</u>	<u>Name</u>
<u>02901</u>	<u>Providence</u>
<u>02902</u>	<u>Providence</u>
<u>02903</u>	<u>Providence</u>
<u>02905</u>	<u>Providence</u>
<u>02910</u>	<u>Cranston</u>
<u>02920</u>	<u>Cranston</u>

Territory 10:

<u>Zip Code</u>	<u>Name</u>
<u>02904</u>	<u>Providence</u>
<u>02908</u>	<u>Providence</u>
<u>02911</u>	<u>North Providence</u>
<u>02918</u>	<u>Providence</u>
<u>02919</u>	<u>Johnston</u>
<u>02940</u>	<u>Providence</u>

Territory 11:

<u>Zip Code</u>	<u>Name</u>
<u>02907</u>	<u>Providence</u>
<u>02909</u>	<u>Providence</u>

**Section 3** — **Guideline of Territorial Rate Differentials**

~~In the absence of actuarially sound statistical data submitted and approved by the Department of Business Regulation, liability base rates for Private Passenger Automobile Insurance in any one (1) territory shall not be greater than plus or minus twenty percent (20%) of the average rate for that coverage; comprehensive rates in any one territory shall not be greater than plus or minus fifty percent (50%) of the average rate for that coverage; collision rates in any one territory shall not be greater than plus or minus fifteen percent (15%) of the average rate for that coverage.~~

#### **Section 45**     **Data Collection**

~~The Private Passenger Automobile Insurance companies/Carriers and rating bureaus currently underwriting/issuing policies in Rhode Island independently which independently filed rates therefore and Rating Bureaus filing on behalf of Carriers, are hereby directed to collect prospective data on the basis of zip codes, and split such zip codes into their component "town" pieces. In some instances, this may require extra data collection by the insurance industry; however, it is not felt that this constitutes a hardship in light of the fact that this methodology will result in more accurate statistical data for actuarial review.~~ The sStatistical aAgents shall also gather data as outlined above in order that this rule may be effectively enforced.

~~—————In the development of the future actuarial projections, adequate consideration shall be given to the impact of the number of state vs. local highways, their maintenance and accident experience, together with each municipality's public works budget as these factors affect data of the individual subdivision of the thirty-nine (39) cities and towns described in Section 2.~~

#### **Section 56**     **Data Submission**

In the satisfaction of this rule, rRating bBureaus and ~~companies/Carriers~~ that choose to establish rates independently shall gather data annually ~~and such data shall be included for review with each rate filing submitted to the Department in satisfaction of R.I. Gen. Laws § 27-9-1 et seq.~~ Any Rating Bureau or Carrier that submits a rate filing in which changes in territory definitions are proposed, other than those set forth in this Regulation, shall fully include data to substantiate the alternative territories including an explanation as to why the territories in this Regulation are not proposed to be utilized. Further, Rrating Bbureaus and sStatistical aAgents shall, at least every five (5) years after the date of this rule, submit territorial data and for review to analysis to either confirm the appropriateness of the territories set forth in this Regulation or to support a change to the territories set forth in this Regulation. assure the proper distribution of territorial experience within the State of Rhode Island. ~~If actuarially sound data which would alter in any respect territories established in Section 2, becomes available at any time, the rating bureaus and statistical agents are hereby directed to submit such data to the Insurance Commissioner immediately along with a proposal for new territorial composition.~~

Section 7      *Severability*

If any provision of this Regulation or the application thereof to any person or circumstances is held invalid or unconstitutional, the invalidity or unconstitutionality shall not affect other provisions or applications of this Regulation which can be given effect without the invalid or unconstitutional provision or application, and to this end the provisions of this Regulation are severable.

Section 8      *Effective Date*

This Regulation and the amendments thereto shall be effective as indicated below. After the effective date insurers, rating and advisory organizations must review existing rates, rules and forms and submit all revisions to the Department by March 31, 2005 to comply with the provisions of this Regulation. Any rate, rule or form filing that is submitted or pending with the Department between the effective date of this Regulation and March 31, 2005 must be submitted or amended in accordance with the 2004 amendments.

EFFECTIVE DATE:	November 24, 1982
AMENDED:	None
REFILED:	December 19, 2001
<u>AMENDED:</u>	<u>October , 2004</u>