

State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
Division of Insurance
1511 Pontiac Avenue, Bldg. 69-2
Cranston, Rhode Island 02920

CONCISE EXPLANATORY STATEMENT

Insurance Regulation 17 – Insurance Holding Company Systems

The Department of Business Regulation (“Department”) hereby adopts amendments to Insurance Regulation 17 effective April 12, 2012 and makes this statement in accordance with R.I. Gen. Laws § 42-35-2.3. The Department makes these amendments in order to update the regulation to the current version of the National Association of Insurance Commissioner Model Regulation and the statutory changes made to R.I. Gen. Laws § 27-35-1 *et seq* in the last legislative session. There are 7 differences between the text of the proposed rule as published in accordance with R.I. Gen. Laws § 42-35-3 and the rule as adopted. Those differences are:

1. Section 6 – The words “Unknown or” have been removed from the title to confirm that the purpose of the section is to state that if a filing is due and the company does not have the information to make the filing the company needs to request an extension.
2. Section 20 – The citation to § 27-35-3(f) has been corrected by changing it to § 27-35-3(l).
3. Former section 24 – the word “any” was not deleted in the proposal and has been deleted from the final regulation.
4. Form A, item 10 a parentheses around the number “12” that was inadvertently deleted has been restored.
5. Form D item 6(c) the duplicate of the word “party’s” has been removed.
6. Form F – the word “the” has been inserted into the following sentence “On Behalf of/Related to the Following Insurance Companies
7. Form F, item 1 the missing reference to R.I. Gen. Laws § 27-35-1(f) has been inserted.

In addition to these changes the Department received comments on the following and declined to make changes to the regulation as a result.

1. A commenter requested clarification that the Department agreed that during the first filing year section 5 required that all documents, even

those forms already on file with the Department, must be attached as exhibits. Thereafter, the same documents must be refilled every fourth year. The Department agrees with this statement and does not believe further amendment is to section 5 is necessary.

2. A commenter requested that the reporting requirements of section 20 be delayed until finalization of an ORSA requirement. The Department declined to make that change as it does not believe that the Enterprise Risk Report and the ORSA are the same thing. The ERR will discuss the risks within the organization that could be material to the holding company's financial condition or ability to compete in the marketplace. The ORSA will consider the result of the ERR.