

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 29 – Life Insurance Replacements

The Department of Business Regulation (“Department”) hereby adopts amendments to Insurance Regulation 29 – Life Insurance Replacements effective March 21, 2013 and makes this statement in accordance with R.I. Gen. Laws § 42-35-2.3. The Department makes these amendments in order to provide implementation and clarification due to the enactment of R.I. Gen. Laws § 27-29-4.7 and to clarify existing provisions of the regulation. There are five 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. Each of these changes was made as a result of comment by interested parties at the hearing on these amendments. Those differences are:

1. Section 9(A) and (A)3 were amended to clarify that this regulation applies only to life replacements and not to life sales. This change is not to be interpreted to mean that the actions identified are allowed to occur in life sales but only to clarify the scope of this regulation to life replacements only.
2. Section 9(B)(1) was amended to clarify by addition “life insurance” before the word “policy.”
3. Section 9(B)(3) was amended to provide clarification on disclosures on paid up insurance policies.
4. Section 10(C) was amended to provide a statutory reference.
5. Section 12 was amended to provide a ninety day window to comply with non-statutory requirements of the amendments. This should not be confused with the effective date of the statute which is not altered by the time given to adopt procedures set forth in the regulation but not mandated by the statute.