

**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 38 – Commercial Insurance Cancellation Non-Renewal and Premium or Coverage Changes**

The Department of Business Regulation (“Department”) hereby adopts amendments to Insurance Regulation 38 effective August 22, 2013 and makes this statement in accordance with R.I. Gen. Laws § 42-35-2.3. The Department makes these amendments in order to bring the regulation into conformance with statutory updates to R.I. Gen. Laws § 27-29-17 to 17.3. There is one difference between the text of the proposed rule as published in accordance with R.I. Gen. Laws § 42-35-3 and the rule as adopted. That difference is:

A definition of the term “writing” has been added to section 3 to acknowledge that the term writing includes electronic transactions.

In addition, there were some comments that the Department considered but rejected. Specifically a number of commenters requested that the Department interpret the meaning of the phrase “shall be separate from the renewal policy” to mean that the notice can be in the renewal package and does not require separate delivery. The Department believes that the legislative intent is that the delivery of the notice be “separate” and, therefore, requires separate delivery. The separate delivery may be by regular mail or electronic if the requirements of the electronic transactions act are met.