Insurance Regulation 97 – Notice of Material Changes Upon Renewal of Personal Motor Vehicle, Homeowner and Residential Fire Insurance

The Department of Business Regulation (“Department”) hereby adopts amendments to Insurance Regulation 97 effective August 6, 2008 and makes this statement in accordance with R.I. Gen. Laws § 42-35-2.3. The Department makes these amendments in order to clarify the intent of the regulation as to notice requirements; clarify that transfer between insurers within a group triggers the notice requirements and coordinate the regulation with R.I. Gen. Laws § 27-5-3.7 and Insurance Regulation 110. The proposed amendments were adopted by emergency action pursuant to R.I. Gen. Laws § 42-35-3(b) on April 30, 2008. The remainder of the changes are to grammar and form. 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. Those differences are:

1. Section 4(c) - In response to comments, the phrase “but are not limited to” was added to clarify the original intent.
2. Section 4(c)(1), (2) and (3) - In response to comments concerning the confusion which a designated type size can cause due to differences in fonts, the Department substituted the phrase “a point type not smaller than the largest font on the page” in place of “twelve (12) point type.”
3. Section 4(c)(2) – In response to a comment the Department inserted the words “renewal package” for clarification.
4. Section 5 – The Department declined to remove the sentence indicating that violation of the section with language more favorable to the insured could be a regulatory violation, however, did substitute the word “may” in place of “shall” to indicate that all of the facts would be considered before administrative action would be taken.
5. Section 9 – The Department added language indicating its original intent to give insurers enough time to properly implement this regulation.

Comments made at the hearing with regard to two sections were considered and rejected. Those sections are:

1. Section 4(c)(1) – Commenters argued that the Department does not have the statutory jurisdiction to allow a separate mailing. The Department disagrees and believes that a separate mailing is within its interpretive powers in implanting the statute.
2. Section 5 – The Department declined the request to delete the entire section as the Department believes that the section is within its regulatory authority.