

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

NOTICE OF PROPOSED REGULATION AND PROPOSED AMENDMENT TO
REGULATIONS AND NOTICE OF PUBLIC HEARING

Notice is hereby given, in accordance with R.I.G.L. §§ 42-14-17 and 42-35-3, that the Department of Business Regulation (“Department”) proposes to adopt the following Regulation:

Insurance Regulation 40 – Continuing Education for Insurance Producers

The proposed regulation is designed to set standards for continuing education requirements for insurance producers.

Notice is hereby given, in accordance with R.I.G.L. §§ 42-14-17 and 42-35-3, that the Department of Business Regulation (“Department”) proposes to amend the following Regulation

Insurance Regulation 36 - Insurance Producer Pre-Licensing Education Requirements for Residents

The proposed amendments are designed to update pre-licensing education requirement for resident insurance producers.

Insurance Regulation 103 - Fees for Insurance Producers, Insurance Claim Adjusters, Motor Vehicle Damage Appraisers, Surplus Line Brokers, Title Agents and Continuing Education Course Providers

The proposed amendments are designed to change the fees for title insurance agents.

Notice is also hereby given, in accordance with R.I. Gen. Laws § 42-35-3, that the Department of Business Regulation will hold a public hearing beginning at 10:00 a.m. on October 10, 2006 in the Main Hearing Room of the Department of Business Regulation, 233 Richmond Street, Providence, Rhode Island 02903, regarding the Proposed Amended Regulation.

Copies of the Proposed Regulation and Proposed Amended Regulations are on file at the Department and copies may be obtained from the Legal Division, Department of Business Regulation, 233 Richmond Street, Providence, Rhode Island 02903 during normal working hours on regular business days or by mail upon request. The Proposed

Regulation and Proposed Amended Regulations may also be obtained from the Department's website www.dbr.state.ri.us.

In the development of the Proposed Regulation and Proposed Amended Regulations, consideration was given to overlapping approaches, overlap and duplication with other statutory and regulatory provisions and economic impact on small business and cities and towns.

All interested persons may submit their views, data or arguments regarding the Proposed Regulation and Proposed Amended Regulations, including information relating to alternative approaches, duplication or overlap with other state rules or regulations and the economic impact of the Proposed Regulation and Proposed Amended Regulations on small business and/or cities and towns, orally at the public hearing or in writing, either by delivering the same in person or United States mail with postage pre-paid thereon to the Department of Business Regulation, 233 Richmond Street, Providence, Rhode Island 02903 attention Elizabeth Kelleher Dwyer, Hearing Officer or by e-mail to elizabeth_dwyer@dbr.state.ri.us

ALL WRITTEN SUBMISSION MUST BE RECEIVED NOT LATER THAN OCTOBER 10, 2006 AT 10:00 A.M.

The hearing room is accessible to the handicapped. Individuals requesting interpreter services for the hearing impaired must notify the Office of Legal Counsel at (401) 222 5400 or TDD 711 not less than ninety-six (96) hours in advance of the hearing date.

A. Michael Marques
Director, Department of Business Regulation

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

INSURANCE REGULATION 103

**FEES FOR INSURANCE PRODUCERS, INSURANCE CLAIM ADJUSTERS,
MOTOR VEHICLE DAMAGE APPRAISERS, SURPLUS LINE BROKERS,
TITLE AGENTS AND CONTINUING EDUCATION COURSE PROVIDERS**

Table of Contents

Section 1	Authority
Section 2	Purpose
Section 3	Definitions
Section 4	Fee Schedule for Insurance Producers
Section 5	Fee Schedule for Insurance Claim Adjusters
Section 6	Fee Schedule for Motor Vehicle Damage Appraisers
Section 7	Fee Schedule for Surplus Line Brokers
Section 8	Fee Schedule for Title Agents
Section 9	Severability
Section 10	Effective Date

Section 1 *Authority*

This Regulation is promulgated in accordance with R.I. Gen. Laws § 27-2.4-1 *et seq.*, R.I. Gen. Laws § 27-3-38, and R.I. Gen. Laws § 27-3.2-1 *et seq.*, R.I. Gen. Laws § 27-10-1 *et seq.*, R.I. Gen. Laws § 27-10.1-1 *et seq.*, R.I. Gen. Laws § 42-14-17, R.I. Gen. Laws § 42-35-1 *et seq.*

Section 2 *Purpose*

The purpose of this Regulation is to establish a fee schedule for the licensing of Insurance Producers, Insurance Claims Adjusters, Motor Vehicle Damage Appraisers, Surplus Line Brokers, Title Agents and Continuing Education Course Providers as well as associated licensing fees such as: letters of clearance, letters of certification, duplicate licenses, returned checks, amendments to licenses, processing of insurance producer license applications, approvals for continuing education course providers, continuing education tracking and reinstatement of an insurance producer license.

Section 3 **Definitions**

As used in this Regulation:

- (A) "Resident" means a person who either resides in Rhode Island or maintains an office in Rhode Island where the business of producing insurance is transacted and designates Rhode Island as the residence for purposes of licensure.
- (B) "Amendment to a License" shall mean a claim adjuster or an insurance producer application submitted by a licensee to the Department of Business Regulation requesting that a line or lines of authority be added to or deleted from his, her or its license.
- (C) "Branch Office" shall mean a corporation, association, partnership, limited liability company, limited liability partnership, or other legal entity with the same federal identification number as an existing non-resident or resident Business Entity insurance producer licensee as defined in R.I. Gen. Laws § 27-2.4-2 (see "Main Corporate Office" below) seeking to establish a new physical office located in Rhode Island or another physical office located in Rhode Island for the purpose of selling, soliciting or negotiating insurance.
- (D) "Continuing Education Course Provider" shall mean any person or entity which seeks and receives approval from the Department of Business Regulation to provide a continuing education course(s) for insurance producers pursuant to R.I. Gen. Laws § 27-3.2-1 *et seq.*
- (E) "Continuing Education Tracking Fee" shall mean a fee that all individual and business entity insurance producers are required to pay pursuant to R.I. Gen. Laws § 27-3.2-9.
- (F) "Department" shall mean the Department of Business Regulation.
- (G) "Duplicate License" shall mean a replacement of an insurance license requested by an insurance licensee and issued by the Department.
- (H) "Letter of Certification" shall mean an original document requested by an insurance licensee and issued by the Department which verifies that he, she or it holds a certain type of insurance license in the State of Rhode Island.
- (I) "Letter of Clearance" shall mean an original document requested by an insurance licensee and issued by the Department canceling his, her or its Rhode Island insurance license.
- (J) "License" shall mean a Rhode Island insurance producer license, an insurance claim adjuster license, a motor vehicle damage appraiser license, a surplus line broker license, or a title agent license.

- (K) “Licensee” shall mean the holder of a Rhode Island insurance producer license, a claim adjuster license, a motor vehicle damage appraiser license, a surplus line broker license, or title agent license.
- (L) “Main Corporate Office” shall mean a Business Entity insurance producer licensee pursuant to R.I. Gen. Laws § 27-2.4-1 established prior to any Branch Office(s) or the Business Entity insurance producer that is the main office of the licensed Business Entity. The Main Corporate Office of the Business Entity insurance producer licensee shall identify at least one Designated/Responsible Licensed Producer (“DRLP”) with the specified line(s) of authority held by the Main Corporate Office and each affiliated Branch Office.
- (M) “NAIC” shall mean the National Association of Insurance Commissioners.
- (N) “Reinstatement” shall mean the process by which any individual or business entity insurance producer license, motor vehicle damage appraiser license, claim adjuster license and surplus line broker license is reinstated without examination within one (1) year from the date of expiration. A Licensee who allows his or her or its License to expire will have until one (1) year from the date of expiration to file a new application for a License without having to retake the examination for licensing. A Licensee must still complete and file a reinstatement application and pay all applicable fees.
- (O) “Returned Check” shall mean any check submitted by an applicant for a License or submitted by a Licensee to the Department that is returned to the Department due to insufficient funds.

Section 4 Fee Schedule for Insurance Producers

The fee schedule for insurance producers shall be as follows:

- (A) Initial Producer License Fee:
1. \$50.00 per year or any part thereof for individual resident insurance producers pursuant to R.I. Gen. Laws § 27-2.4-4.
 2. \$50.00 per year or any part thereof for business entity resident insurance producers pursuant to R.I. Gen. Laws § 27-2.4-4
 3. \$55.00 per year for or any part thereof for individual nonresident insurance producers.
 4. \$75.00 per year or any part thereof for business entity nonresident insurance producers.

All Initial Producer License Fees (including the Continuing Education Tracking Fee) are nonrefundable. If an Applicant does not complete the Application process within ninety (90) days, the Department will return the Application. All subsequent Applications will require an additional Initial Producer License Fee and Continuing Education Tracking Fee.

- (B) Renewal Fee:
1. \$50.00 per year or any part thereof for individual resident insurance producers pursuant to R.I. Gen. Laws § 27-2.4-4.
 2. \$50.00 per year or any part thereof for business entity resident insurance producers pursuant to R.I. Gen. Laws § 27-2.4-4
 3. \$50.00 per year or any part thereof \$110.00 for individual nonresident insurance producers.
 4. \$50.00 per year or any part thereof \$150.00 for business entity nonresident insurance producers.
- (C) Amendment to License Fee: the same as the one (1) year Initial License Producer Fee as stated in Section 4(A) above at each time of amendment.
- (D) Continuing Education Course Providers shall be charged a fee of \$25.00 for the approval of each continuing education course submitted for approval pursuant to R.I. Gen. Laws § 27-3.2-1 *et seq.*
- (E) Continuing Education Tracking Fee: \$5.00 per year or part thereof (applicable to residents and nonresidents) pursuant to R.I. Gen. Laws § 27-3.2-9.
- (F) Duplicate License Fee: \$25.00 pursuant to R.I. Gen. Laws § 27-2.4-4(c).
- (G) Letter of Certification Fee: \$15.00 pursuant to R.I. Gen. Laws § 27-2.4-4(c).
- (H) Letter of Clearance Fee: \$15.00 pursuant to R.I. Gen. Laws § 27-2.4-4(c).
- (I) Returned Check Fee: \$25.00 pursuant to R.I. Gen. Laws § 27-2.4-4(c).
- (J) Reinstatement Fee (in addition to all applicable renewal fees):
\$50.00 for Rhode Island individual residents
\$50.00 for Rhode Island resident Business Entities
\$55.00 for nonresident individuals
\$75.00 for nonresident Business Entities
- (K) Annual Company Contract Fee: \$25.00 R.I. Gen. Laws § 27-2.4-4(b)(3). requires all insurance companies contracting with insurance producers (individuals and/or business entities) to provide to the Department on March 1 of each year a listing of and a \$25 fee for each producer and/or business entity paid more than \$100 in commissions for business written in Rhode Island.
- (L) Addition of Branch Office Fee: \$25.00
- (M) The Initial Producer License Fee and Continuing Education Tracking Fee are nonrefundable for both resident and nonresidents insurance producers.

Section 5 **Fee Schedule for Insurance Claim Adjusters**

The fee schedule for insurance claim adjusters shall be as follows:

- (A) Application Fee (Examination and Filing Fee): \$50.00 pursuant to R.I. Gen. Laws § 27-10-6.
- (B) License Fee: \$50.00 per year or part thereof.
- (C) Renewal Fee: \$50.00 per year or part thereof pursuant to R.I. Gen. Laws § 27-10-7
- (D) Amendment to License Fee: \$50.
- (E) Duplicate License Fee: \$25.00.
- (F) Letter of Certification Fee: \$15.00.
- (G) Letter of Clearance Fee: \$15.00.
- (H) Returned Check Fee: \$25.00.
- (I) Reinstatement Fee: \$50.00 (In addition to all applicable licensing renewal fees).
- (J) The Application Fee is non-refundable. If an Applicant does not complete the Application process within sixty (60) days, the Department will return the Application.

Section 6 **Fee Schedule for Motor Vehicle Damage Appraisers**

The fee schedule for Motor Vehicle Damage Appraisers shall be as follows:

- (A) Application Fee (includes Examination Fee): \$50.00 pursuant to R.I. Gen. Laws § 27-10.1-1.
- (B) License Fee: \$50.00 per year or part thereof for a total fee of \$100.00 for two (2) years.
- (C) Renewal Fee: \$50.00 per year or part thereof pursuant to R.I. Gen. Laws § 27-10.1-1
- (D) Duplicate License Fee: \$25.00.
- (E) Letter of Certification Fee: \$15.00.
- (F) Letter of Clearance Fee: \$15.00.

- (G) Returned Check Fee: \$25.00.
- (H) Reinstatement Fee: \$50.00 (In addition to all applicable licensing renewal fees).
- (I) The Application Fee is non-refundable. If an Applicant does not complete the Application process within sixty (60) days, the Department will return the Application.

Section 7 Fee Schedule for Surplus Line Brokers

The fee schedule for Surplus Line Brokers shall be as follows:

- (A) Application Fee: \$50.00
- (A) License Fee: \$50.00 per year or part thereof pursuant to R.I. Gen. Laws § 27-3-42).
- (B) Renewal Fee: \$50.00 per year or part thereof pursuant to R.I. Gen. Laws § 27-3-42.
- (C) Duplicate License Fee: \$25.00.
- (D) Letter of Certification Fee: \$15.00.
- (E) Letter of Clearance Fee: \$15.00.
- (F) Returned Check Fee: \$25.00.
- (G) Reinstatement Fee: \$50.00 (In addition to all applicable licensing renewal fees).
- (H) The Application Fee is non-refundable. If an Applicant does not complete the Application process within sixty (60) days, the Department will return the Application.

Section 8 Fee Schedule for Title Agents

The fee schedule for Title Agents shall be as follows:

- (A) Application Fee: \$10.00.
- (B) License (and Renewal) Fee: ~~Massachusetts residents: \$150 (\$50.00 per year for three (3) years); Rhode Island and all others: \$75.00~~ \$50 (\$25.00 per year for ~~three two (32)~~ two (2) years).
- (C) Duplicate License Fee: \$25.00.
- (D) Letter of Certification Fee: \$15.00.

- (E) Letter of Clearance Fee: \$15.00.
- (F) Returned Check Fee: \$25.00.
- (G) The Application Fee is non-refundable. If an Applicant does not complete the Application process within sixty (60) days, the Department will return the Application.

Section 9 **Collection of Licensing Fees and Data**

The Department may contract with non-governmental entities, including the NAIC or any affiliates or subsidiaries that the NAIC oversees, to perform any ministerial functions, including the collection of fees and data, related to licensing that the Department may deem appropriate.

Section 10 **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 11 **Effective Date**

This Regulation shall be effective twenty (20) days after filing with the Secretary of State as indicated below.

EFFECTIVE DATE: July 1, 2004
AMENDED: March 27, 2006
 October 2006