

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

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

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

**Insurance Regulation 40 – Continuing Education for Insurance Producers**

The proposed amendments are designed to clarify the continuing education requirements for insurance producers and eliminate the exemption from continuing education on the first renewal. The proposed amendments clarify submission of courses to the Department by Continuing Education Course Providers, clarify approval of reciprocal courses and increase the per course fee to place Rhode Island in a similar situation as other states. The remainder of the changes are to grammar and form.

**Insurance Regulation 103 – Licensing and Renewal Fees**

The proposed amendments are designed to increase the readability of the regulation as to fees charged, add fees for Third Party Administrator and Reinsurance Intermediaries, and define requirements for the Annual Contracted Producer Report. The fees charged are unchanged with the exception of a reduction in the fee for amendment or reinstatement of an insurance producer license, elimination of the application fee for a Surplus Lines Brokers license, and an increase in the fee for a title insurance producer in accordance with R.I. Gen. Laws § 27-2.4-4. The remainder of the changes are to grammar and form.

Notice is also given that the Department will hold a public hearing beginning at 10:00 a.m. on June 18, 2008 in the Main Hearing Room of the Department regarding the proposed amended regulations. All interested person may submit their views, data or argument orally at the public hearing, or by email to [edwyer@dbr.state.ri.us](mailto:edwyer@dbr.state.ri.us) or in writing mailed to the Department’s offices. **ALL WRITTEN SUBMISSIONS MUST BE RECEIVED NOT LATER THAN JUNE 18, 2008 AT 10:00 A.M.**

The proposed amended regulations and the summary of non-technical changes may be obtained from the Department’s website [www.dbr.state.ri.us](http://www.dbr.state.ri.us) or may be obtained from the

Insurance Division of the Department at 233 Richmond Street, Providence, RI 02903 by mail or in person during regular business hours. In the development of the amendments, 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.

The hearing room is accessible to the handicapped. Individuals requesting interpreter services for the hearing impaired must notify the Insurance Division at (401) 222 2223 or TDD 711 not less than ninety-six (96) hours in advance of the hearing date.

A. Michael Marques  
Director, Department of Business Regulation

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**INSURANCE REGULATION 103**

**Licensing and Renewal Fees**

**Summary of Non-Technical Proposed Amendments**

In accordance with R.I. Gen. Laws § 42-35-3 the following is a concise summary of all non-technical amendments being proposed with regard to this regulation:

- Section 3** – the amendment eliminates the definitions of Branch Office, continuing Education Course Provider and Main Corporate Office as those terms are no longer used in the regulation. The amendment also adds a definition of Annual Contracted Producer Report.
- Section 4** – this section incorporates sections 4, 5, 6,7 and 8 from the prior regulation to increase the readability. As proposed, the amendment will provide the total fees for each biennial license type with the statutory authority for those fees. All fees proposed are the same as in the prior regulation with the exception of an increase in the producer licensing fee due to a 2007 amendment to R.I. Gen. Laws § 27-2.4-4; the elimination of a separate fee for a title insurance producer, which are proposed to be charged the same as all other producers and elimination of an application fee for surplus lines brokers. In addition fees are proscribed for Third Party Administrators and Reinsurance Intermediaries, which are license types not included in the prior regulation.
- Section 5** – the “miscellaneous fees” section has been added to list all miscellaneous fees that were separately listed under each license type in the prior regulation. The only change to these fees is a reduction of the nonresident producer reinstatement fee to \$50 consistent with all other licenses.
- Section 6** – has been added to provide detail and instructions with regard to the Annual Contracted Producer Report. The fees associated with this report as set by R.I. Gen. Laws § 27-2.4-4.

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**INSURANCE REGULATION 103**

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

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**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.*, 27-20.7-1 *et seq.*, 27-52-1 *et seq.*, R.I. Gen. Laws § 42-14-17, R.I. Gen. Laws § and 42-35-1 *et seq.*~~

**Section 2**     **Purpose**

The purpose of this Regulation is to establish a fee schedule for the initial licensing and renewals of Insurance Producers, Insurance Claims Adjusters, Motor Vehicle Damage Appraisers, Surplus Line Brokers, ~~Title Agents and Continuing Education Course Providers~~Third Party Administrators and Reinsurance Intermediaries. The Regulation also provides for the fees for ~~as well as~~ associated services and documents that the Commissioner has determined are reasonable 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, and the requirements and fees for the Contracted Producer Reports filed by insurance companies.~~

### **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)~~(A) "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.

(B) "Annual Contracted Producer Report" shall mean the report that must be filed annually by each insurance company detailing licensed insurance producers to which the insurer paid in excess of \$100 in the previous calendar year and for which the insurance company must pay \$30 per producer pursuant to R.I. Gen. Laws § 27-2.4-4(b)(3).

~~(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.~~

(EC) "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)~~(D) "Department" shall mean the Department of Business Regulation, Division of Insurance.

(GE) "Duplicate License" shall mean a replacement of an insurance license requested by an insurance licensee and issued by the Department.

- (HF) “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.
- (IG) “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.
- (JH) “License” shall mean an insurance license issued by the Rhode Island Department of Business Regulation, ~~insurance producer license, an insurance claim adjuster license, a motor vehicle damage appraiser license, a surplus line broker license, or a title agent license.~~
- (KI) “Licensee” shall mean the holder of an insurance license issued by the Rhode Island Department of Business Regulation, ~~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.~~
- (MJ) “NAIC” shall mean the National Association of Insurance Commissioners.
- (NK) “Reinstatement” shall mean the process by which ~~an y individual or business entity~~ insurance producer license, motor vehicle damage appraiser license, claim adjuster license ~~and or~~ surplus line broker license is reinstated without prelicensing or 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 an~~ examination or prelicensing course for licensing. A Licensee must still complete and file a reinstatement application and pay all applicable fees.
- (L) "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.
- (OM) “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 Schedules for Insurance Producers*

(A) The Department issues two-year licenses. The fees listed below apply to a person obtaining the license during the two-year period even if his or her license will expire in less than two years. The fees for each license type are as follows.

(B) The fee schedule for the initial and renewal license for insurance producers shall be as follows: the various types of licenses issued by the Department is as follows:

(A)(1) Initial Insurance Producer License Fee (both initial application and renewal).

These fees apply to all insurance producers licensed in the major lines of authority (life, accident and health and sickness, property, casualty, variable life and annuity, personal lines – property and casualty); title insurance producers and all limited lines of authority.:

1(a) Residents - \$120

Fee is calculated by adding \$55 per year fee of R.I. Gen. Laws § 27-2.4-4 and the \$5 per year Continuing Education tracking fee of R.I. Gen. Laws § 27-3.2-9.

\$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

(b) Nonresidents - \$130

Fee is calculated by adding \$60 per year fee of R.I. Gen. Laws § 27-2.4-4, \$5 per year retaliatory fee and a \$5 per year Continuing Education tracking fee of R.I. Gen. Laws § 27-3.2-9.

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(e).~~

~~(G) Letter of Certification Fee: \$15.00 pursuant to R.I. Gen. Laws § 27-2.4-4(e).~~

~~(H) Letter of Clearance Fee: \$15.00 pursuant to R.I. Gen. Laws § 27-2.4-4(e).~~

~~(I) Returned Check Fee: \$25.00 pursuant to R.I. Gen. Laws § 27-2.4-4(e).~~

~~(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 (2) Insurance Claim Adjusters~~

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

- (a) Initial Application – Resident and Nonresident Claims Adjuster Biennial License Fee: \$150 (comprised of \$50 application fee and \$50 annual fee pursuant to R.I. Gen. Laws § 27-10-6)

~~(A)Application Fee (Examination and Filing Fee): \$50.00 pursuant to R.I. Gen. Laws § 27-10-6.~~

- (b) Renewal Application - Residents and Nonresidents - \$100 (comprised of \$50 annual fee pursuant to R.I. Gen. Laws § 27-10-6)

~~(B)License Fee: \$50.00 per year or part thereof.~~

~~Renewal Fee: 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 — (3) Fee Schedule for Motor Vehicle Damage Appraisers

- (a) Initial Application – Resident and Nonresident Motor Vehicle Damage Appraisers Biennial License Fee: \$150 (comprised of \$50 application fee and \$50 annual fee pursuant to R.I. Gen. Laws § 27-10.1-1)

~~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) Renewal Application - Residents and Nonresidents - \$100 (comprised of \$50 annual fee 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 — (4) Fee Schedule for Surplus Line Brokers (both initial application and renewal)

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

(Aa) Residents and nonresidents - Application Fee: \$50100.00

Fee is comprised of the \$50 per year or part thereof pursuant to R.I. Gen. Laws § 27-3-42

(b) An individual is only eligible for a Surplus Lines Brokers license if the individual has a valid Insurance Producers License with Property & Casualty lines of authority. In order to obtain a Surplus Lines Brokers license the individual must apply and pay the above fees in addition to fees charged for the Insurance Producers license.

~~(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.~~

(5) Third Party Health Insurance Administrators

(a) Fee for Certificate of Authority or Waiver (Resident and Nonresident) - \$250

(b) Third Party Administrators must file an annual report pursuant to R.I. Gen. Laws § 27-20.7-14. A fee of \$150 must be submitted with that report pursuant to R.I. Gen. Laws § 27-20.7-12.

(6) Reinsurance Intermediaries

Biennial License Fee (initial application and renewal) - \$200 (comprised of \$100 per year or part thereof per R.I. Gen. Laws § 27-52-4(d)(3).)

### **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: \$50 (\$25.00 per year for two (2) years).~~

### **Section 5** **Miscellaneous Fees**

(A) The Department will charge the following fees for services and documents for all license types:

~~(C1) Duplicate License Fee: \$25.00.~~

~~(D2) Letter of Certification Fee: \$15.00.~~

~~(E3) Letter of Clearance Fee: \$15.00.~~

~~(F4) Returned Check Fee: \$25.00.~~

(5) Amendment to License Fee: \$50

(6) Reinstatement Fee - \$50

Licenses will be reinstated if; the licensee makes application within one year of expiration and pays the reinstatement fee in addition to all applicable licensing renewal fees.

~~(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 6** **Contracted Producers Report**

- (1) Each licensed insurance company doing business in Rhode Island must file with the Department a report listing each insurance producer that was paid more than \$100 in commissions by the insurer for business written in Rhode Island.
- (2) The report shall be filed with the Department on or prior to March 1 of each year and shall provide a listing of all insurance producers falling within the criteria for the prior calendar year.
- (3) Each licensed insurer shall pay to the Department a fee of \$30 for each producer listed in the report in accordance with R.I. Gen. Laws § 27-2.4-4(b)(3).
- (4) Effective January 1, 2008 all contracted producer reports shall be filed electronically in accordance with instructions given by the Department.
- (5) The Department may contract with outside vendors for the electronic processing of the report and may require that licensed insurers pay a reasonable fee to such vendors for processing of the report.

**Section 97    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 108    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 119    Effective Date**

This Regulation and the amendments thereto 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  
                              January 1, 2007  
                              , 2008