

**State of Rhode Island and Providence Plantations**  
**DEPARTMENT OF BUSINESS REGULATION**  
*Division of Insurance*  
**1511 Pontiac Avenue, Bldg. 69-2**  
**Cranston, Rhode Island 02920**

**Public Notice of Proposed Rule-Making**

Pursuant to the provisions of R.I. Gen. Laws § 27-10-6 and 27-10.1-1, and in accordance with the Administrative Procedures Act Chapter 42-35 of the General Laws, the Department of Business Regulation hereby gives notice of its intent to amend Insurance Regulation 103 – Licensing and Renewal Fees.

The purpose of this amendment is to change the licensing fees for insurance adjusters and motor vehicle damage appraisers to those prescribed by the legislature in the amendments to R.I. Gen. Laws § 27-10-6 and 27-10.1-1 effective July 1, 2009.

The proposed amended regulation and concise summary of non-technical amendments are available for public inspection at [www.dbr.ri.gov](http://www.dbr.ri.gov), in person at the Department of Business Regulation, 1511 Pontiac Avenue, Cranston, Rhode Island 02920, or requested by email to [edwyer@dbr.state.ri.us](mailto:edwyer@dbr.state.ri.us) or by calling Elizabeth Kelleher Dwyer at (401) 462 9520.

In the development of the proposed amendment consideration was given to: (1) alternative approaches; (2) overlap or duplication with other statutory and regulatory provisions; and (3) significant economic impact on small business. No alternative approach, duplication, or overlap was identified based upon available information.

All interested parties are invited to submit written or oral comments concerning the proposed regulations by August 18, 2009 to Elizabeth Kelleher Dwyer, Department of Business Regulation, 1151 Pontiac Avenue, Cranston, Rhode Island 02920, [edwyer@dbr.state.ri.us](mailto:edwyer@dbr.state.ri.us). A public hearing to consider the proposed amendment shall be held on Tuesday August 18, 2009 at 10:00 am at 1511 Pontiac Avenue, Cranston, Rhode Island 02920 at which time and place all persons interested therein will be heard. The room is accessible to the disabled and interpreter services for the hearing impaired will be provided if requested 48 hours prior to the hearing. Requests for this service can be made in writing or by calling (401) 462 9520 or TDD 711.

A. Michael Marques  
Director, Department of Business Regulation

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**Concise Summary of Proposed Non-technical Amendments**  
**to**  
**Insurance Regulation Number 103**

In accordance with the Administrative Procedures Act, Section 42-35-3(a)(1) of the General Laws of Rhode Island, following is a concise summary of proposed non-technical amendments:

1. Section (4)(B)(2) changes the fees for insurance adjuster initial application and renewal in accordance with a legislative change to R.I. Gen. Laws § 27-10-6 effective July 1, 2009.
2. Section (4)(B)(3) changes the fees for insurance appraiser initial application and renewal in accordance with a legislative change to R.I. Gen. Laws § 27-10.1-1 effective July 1, 2009.

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**DEPARTMENT OF BUSINESS REGULATION**  
*Insurance Division*

**1511 Pontiac Avenue, Bldg. 69-2**  
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**INSURANCE REGULATION 103**

**LICENSING AND RENEWAL FEES**

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**Section 1**     *Authority*

This Regulation is promulgated in accordance with R.I. Gen. Laws § 27-2.4-1 *et seq.*, 27-3-38, 27-3.2-1 *et seq.*, 27-10-1 *et seq.*, 27-10.1-1 *et seq.*, 27-20.7-1 *et seq.*, 27-52-1 *et seq.*, 42-14-17 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, Third Party Administrators and Reinsurance Intermediaries. The Regulation also provides for the fees for associated services and documents that the Commissioner has determined are reasonable and the requirements and fees for the Contracted Producer Reports filed by insurance companies.

**Section 3**     *Definitions*

As used in this Regulation:

- (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) “Continuing Education Tracking Fee” shall mean a fee that all insurance producers are required to pay pursuant to R.I. Gen. Laws § 27-3.2-9.
- (D) “Department” shall mean the Department of Business Regulation, Division of Insurance.
- (E) “Duplicate License” shall mean a replacement of an insurance license requested by an insurance licensee and issued by the Department.
- (F) “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.
- (G) “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.
- (H) “License” shall mean an insurance license issued by the Rhode Island Department of Business Regulation.
- (I) “Licensee” shall mean the holder of an insurance license issued by the Rhode Island Department of Business Regulation.
- (J) “NAIC” shall mean the National Association of Insurance Commissioners.
- (K) “Reinstatement” shall mean the process by which an insurance producer license, motor vehicle damage appraiser license, claim adjuster license 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 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 take an examination or prelicensing course. 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.
- (M) “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**

- (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 the various types of licenses issued by the Department is as follows:

- (1) 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:

- (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.

- (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.

- (2) Insurance Claim Adjusters

- (a) Initial Application – Resident and Nonresident Claims Adjuster Biennial License Fee: ~~\$150-170~~ (comprised of \$50 application fee and ~~\$50-60~~ annual fee pursuant to R.I. Gen. Laws § 27-10-6)

- (b) Renewal Application - Residents and Nonresidents - ~~\$100-120~~ (comprised of ~~\$50-60~~ annual fee pursuant to R.I. Gen. Laws § 27-10-6)

- (3) Motor Vehicle Damage Appraisers

- (a) Initial Application – Resident and Nonresident Motor Vehicle Damage Appraisers Biennial License Fee: ~~\$150-170~~ (comprised of \$50 application fee and ~~\$50-60~~ annual fee pursuant to R.I. Gen. Laws § 27-10.1-1)

- (b) Renewal Application - Residents and Nonresidents - ~~\$100~~120 (comprised of ~~\$50~~60 annual fee pursuant to R.I. Gen. Laws § 27-10.1-1)
- (4) Surplus Line Brokers (both initial application and renewal)
  - (a) Residents and nonresidents - \$100.00  
  
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.
- (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 5**     **Miscellaneous Fees**

- (A) The Department will charge the following fees for services and documents for all license types:
  - (1) Duplicate License Fee: \$25.00.
  - (2) Letter of Certification Fee: \$15.00.
  - (3) Letter of Clearance Fee: \$15.00.
  - (4) 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.

**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 7**      **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 8**      **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 9**      **Effective Date**

This Regulation and the amendments thereto shall be effective as indicated below.

EFFECTIVE DATE: July 1, 2004  
AMENDED: March 27, 2006  
January 1, 2007  
September 1, 2008  
September \_\_, 2009