

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 § 27-10.1-9, 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 76 – Reinspection of Collision Damage Claims.

The purpose of this amendment is to provide that reinspections are permitted but not required and to add a severability clause.

The proposed amended regulation and concise summary of non-technical amendments are available for public inspection at www.dbr.ri.gov, in person at Department of Business Regulation, 1511 Pontiac Avenue, Cranston, Rhode Island 02920, or requested by email 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 March 23, 2010 to Elizabeth Kelleher Dwyer, Department of Business Regulation, 1511 Pontiac Avenue, Cranston, Rhode Island 02920, edwyer@dbr.state.ri.us. A public hearing to consider the proposed amendment shall be held on March 23, 2010 at 10:30 am at 1511 Pontiac Avenue, Cranston, Rhode Island 02920 at which time and place all persons interested therein will be heard.

All are welcome at the Rhode Island Department of Business Regulation ("DBR"). If any reasonable accommodation is needed to ensure equal access, service or participation, please contact DBR at 401-462-9551, RI Relay at 7-1-1, or email directorofficeinquiry@dbr.state.ri.us at least three (3) business days prior to the hearing.

A. Michael Marques
Director, Department of Business Regulation

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Concise Summary of Proposed Non-technical Amendments
to
Insurance Regulation Number 76
Reinspection of Collision Damage Claims

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. Sections 2 and 4 are amended to make reinspections discretionary up to ten percent of all collision damage claims.
2. Section 3(D) is amended to clarify that a claim may be either a first or third party claim.
2. Section 5 is added to provide a severability clause.

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INSURANCE REGULATION 76

REINSPECTION OF COLLISION DAMAGE CLAIMS

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Section 1 **Authority**

This Regulation is promulgated pursuant to R.I. Gen. Laws §§ 27-10.1-9 and 42-14-17.

Section 2 **Purpose**

The purpose of this Regulation is to ~~permit require~~ insurers to reinspect [up to](#) ten percent (10%) of all automobile insurance claims after collision damage is repaired. Nothing in this Regulation shall preclude an insurer from reinspecting more than ten percent (10%) of claims.

Section 3 **Definitions**

For the purpose of this Regulation:

- A. "Director" means the Director of Business Regulation or his or her designee.
- B. "Insurer" means all persons, firms, corporations or associations authorized to offer automobile insurance in this state.
- C. "Collision Damage" means loss to the insured's vehicle caused by its collision with other vehicle or object or its upset, or damage caused by theft of the insured vehicle regardless of the coverage under which the claim is paid.

- D. "Claim" means a demand for payment of loss by a [first or third party](#) claimant.
- E. "First Party Claim" means a demand for payment of loss made by an individual, corporation, association, partnership, or other legal organization, under their own insurance policy, arising out of the occurrence of the contingency or loss covered by the policy;
- F. "Third Party Claim" means a demand for payment made against another persons insurance policy.

Section 4 *Reinspection of Collision Damage Claims*

- A. Every insurer authorized to offer automobile insurance in this state [may shall](#) reinspect [up to at least](#) ten percent (10%) of all collision damage claims after any collision damage has been repaired.
- B. The insurer may at any time before a repaired vehicle is delivered to its owner, inform the auto body repair shop, corporation, business, partnership, or person, which has repaired the vehicle, of its intent to reinspect the vehicle.
- C. Such reinspection shall not be performed in a manner that interferes with the operation of the auto body repair shop and shall occur no later than two (2) business days after the insurer is informed by the auto body repair shop, corporation, business, partnership, or person that has repaired the vehicle of its availability for reinspection.

Section 5 *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 ~~5~~6 *Effective Date*

This Regulation shall become effective ~~on September 8, 1994~~ [as indicated below](#).

EFFECTIVE DATE:	February 15, 1994
AMENDED:	September 8, 1994
REFILED:	December 19, 2001
<u>AMENDED:</u>	<u>April , 2010</u>