

2015 -- S 0782

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

A N A C T

RELATING TO INSURANCE - CASUALTY INSURANCE RATING

Introduced By: Senators Goodwin, and Ruggerio

Date Introduced: April 01, 2015

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-9-7.3 of the General Laws in Chapter 27-9 entitled "Casualty
2 Insurance Rating" is hereby repealed.

3 ~~**27-9-7.3. Rating for nonbusiness policies.** -- (a) Notwithstanding the requirements of~~
4 ~~section 27-9-7, a filing made by an insurer under this section that provides for an overall~~
5 ~~statewide rate increase or decrease of no more than five percent (5%) in the aggregate for all~~
6 ~~coverages that are subject to the filing may take effect the date it is filed. The five percent (5%)~~
7 ~~limitation does not apply on an individual insured basis. No more than one rate filing may be~~
8 ~~made by an insurer pursuant to the expedited process provided in this subsection during any~~
9 ~~twelve (12) month period, unless a rate filing, when combined with any other rate filing or filings~~
10 ~~made by an insurer within the preceding twelve (12) months, does not result in an overall~~
11 ~~statewide increase or decrease of more than five percent (5%) in the aggregate for all coverages~~
12 ~~that are subject to the filing.~~

13 ~~(b) Rate filings falling outside of the limitation provided for in subsection (a) of this~~
14 ~~section shall be subject to section 27-9-9, unless those filings are other exempt from those~~
15 ~~provisions pursuant to another section of the insurance code.~~

16 ~~(c) A filing submitted pursuant to subsection (a) of this section is considered to comply~~
17 ~~with state law. However, if the commissioner of insurance determines that the filing is inadequate~~
18 ~~or unfairly discriminatory, he/she shall issue a written order specifying in detail the provisions of~~
19 ~~the insurance code the insurer has violated and the reasons the filing is inadequate or unfairly~~

1 ~~discriminatory and stating a reasonable future date on which the filing is to be considered no~~
2 ~~longer effective. An order by the commissioner pursuant to this subsection that is issued more~~
3 ~~than thirty (30) days from the date on which the commissioner received the rate filing is~~
4 ~~prospective only and does not affect any contract issued or made before the effective date of the~~
5 ~~order. For purposes of this act, "unfairly discriminatory" means a rate for a risk that is classified~~
6 ~~in whole or in part on the basis of race, color, creed or national origin.~~

7 ~~(d) No rate increase within the limitation specified in subsection (a) of this section may~~
8 ~~be implemented with regard to an individual existing policy, unless the increase is applied at the~~
9 ~~time of a renewal or conditional renewal of an existing policy and the insurer, at least thirty (30)~~
10 ~~days in advance of the end of the insured's policy period, mails or delivers to the named insured,~~
11 ~~at the address shown in the policy, a written notice that clearly and conspicuously discloses its~~
12 ~~intention to change the rate. A notice of renewal or conditional renewal that clearly and~~
13 ~~conspicuously discloses the renewal premium applicable to the policy shall be deemed to be in~~
14 ~~compliance with this subsection.~~

15 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO INSURANCE - CASUALTY INSURANCE RATING

- 1 This act would eliminate the process that allows filings by casualty insurers seeking rate
- 2 increases or decreases of not more than five percent (5%) to become effective when filed.
- 3 This act would take effect upon passage.

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