

2013 -- H 5045

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO INSURANCE - CASUALTY INSURANCE RATING

Introduced By: Representatives Corvese, Edwards, Azzinaro, Malik, and Palangio

Date Introduced: January 10, 2013

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-9-10 of the General Laws in Chapter 27-9 entitled "Casualty
2 Insurance Rating" is hereby amended to read as follows:
3 **27-9-10. Waiting period -- Effective date of filings.** – (a) Subject to the exception
4 specified in section 27-9-9, each filing shall be on file for a waiting period of thirty (30) days
5 before it becomes effective, which period may be extended by the commissioner for an additional
6 period not to exceed thirty (30) days if the commissioner gives written notice within that waiting
7 period to the insurer or rating organization which made the filing that he or she needs that
8 additional time for the consideration of the filing. Upon written application by the insurer or
9 rating organization, the commissioner may authorize a filing that the commissioner has reviewed
10 to become effective before the expiration of the waiting period or any extension of it. A filing
11 shall be deemed to meet the requirements of this chapter and to become effective unless
12 disapproved as provided in this chapter by the commissioner within the waiting period or any
13 extension of it; provided, that if the commissioner gives written notice to the insurer or rating
14 organization within the waiting period or any extension that he or she will hold a hearing on the
15 filing, the filing shall not become effective before or until the commissioner issues his or her
16 decision. Upon giving that notice the commissioner shall also give public notice of the hearing by
17 causing a notice to be published in a newspaper of general circulation in the state at least ten (10)
18 days prior to the hearing stating the name of the insurer or rating organization which has made the
19 filing and including a general description of the subject matter and sending a copy of that notice

1 to the consumer protection unit of the department of attorney general. The commissioner shall
2 hold a hearing on major filings. The hearing shall be held and a decision issued by the
3 commissioner as soon as reasonably possible.

4 (b) Notwithstanding the provisions of subsection (a) of this section and the requirements
5 of section 27-9-7.3, any filing made by an insurer or rating organization seeking a rate increase
6 for automobile liability and/or physical damage insurance filed with the commissioner shall not
7 take effect until approved by the commissioner after hearing thereon.

8 (c) No rate increase within the limitation specified in subsection (b) of this section may
9 be implemented with regard to an individual existing policy, unless the increase is applied at the
10 time of a renewal or conditional renewal of an existing policy and the insurer, at least ninety (90)
11 days in advance of the end of the insured's policy period, mails or delivers to the named insured at
12 the address shown in the policy, a written notice that clearly and conspicuously discloses its
13 intention to increase the rate. A notice of renewal or conditional renewal that clearly and
14 conspicuously discloses the renewal premium applicable to the policy shall be deemed to be in
15 compliance with this subsection.

16 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 require that rate increases for automobile liability and/or physical damage
2 insurance receive approval by the insurance commissioner after hearing thereon and that insurers
3 give notice of the rate increase to their insureds at least ninety (90) days prior to the end of the
4 insureds' policy period.

5 This act would take effect upon passage.

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