

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

**CONCISE EXPLANATORY STATEMENT**

**230-RICR-20-50-5 – Licensing and Renewal Fees**

The Department of Business Regulation (“Department”) hereby adopts amendments to 230-RICR-20-50-5 effective October 18, 2018 and makes this statement in accordance with R.I. Gen. Laws § 42-35-2.6. The Department makes these amendments in order to update the fees to current levels and add fees for licenses enacted by the legislature.

There are two differences between the text of the proposed rule as published in accordance with R.I. Gen. Laws § 42-35-3 and the rule as adopted. Those changes appear in sections 5.3(A)(2) and 5.7(C) and both change the citation R.I. Gen. Laws § 27-2.4-4(b)(3) to R.I. Gen. Laws § 27-2.4-4(a)(3).

Dated – September 28, 2018

## 230-RICR-20-50-5

# TITLE 230 – DEPARTMENT OF BUSINESS REGULATION

## CHAPTER 20 – INSURANCE

### SUBCHAPTER 50 – INSURANCE PRODUCERS AND OTHER NON-INSURER LICENSEES

#### Part 5 - Licensing and Renewal Fees

#### 5.1 Authority

- . This Regulation is promulgated in accordance with R.I. Gen. Laws §§ Chapters 27-2.4-~~1 et seq.~~, 27-2.7-7, 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.~~ R.I. Gen. Laws §§ 27-2.7-7 and 27-3-38.

#### 5.2 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, Life Settlement Providers, Portable Electronic Vendors, Limited Lines Travel Producers and Life Settlement 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 Annual Contracted Producer Reports filed by insurance companies.

#### 5.3 Definitions

##### A. As used in this Regulation:

1. "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.
2. "Annual Contracted Producer Report" ~~shall~~ means the report that must be filed annually by each insurance company detailing licensed insurance producers ~~to which the insurer paid in excess of \$100 appointed by the insurer in the previous calendar year and for which~~ All appointed producers are to be listed in the report whether

or not the producer produced insurance for the insurer in this state in the previous calendar year and whether or not commission was paid to the producer by the insurer. The insurance company must pay a fee of \$30 per producer to which the insurer paid in excess of \$100 in commission in the previous calendar year pursuant to R.I. Gen. Laws § 27-2.4-4(b a)(3).

3. "Appointed" means an insurance producer acting as an agent of an insurer

3 4. "Continuing Education Tracking Fee" ~~shall~~ means a fee that all insurance producers are required to pay pursuant to R.I. Gen. Laws § 27-3.2-9.

4 5. "Department" ~~shall~~ means the Department of Business Regulation, Financial Services Division ~~of Insurance~~.

~~5~~ ~~"Duplicate License" shall mean a replacement of an insurance license requested by an insurance licensee and issued by the Department."~~

~~6.~~ ~~"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.~~

~~7.~~ ~~"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.~~

~~8 6.~~ "License" ~~shall~~ means an insurance license issued by the Rhode Island Department of Business Regulation.

~~9 7.~~ "Licensee" ~~shall~~ means the holder of an insurance license issued by the Rhode Island Department of Business Regulation.

~~10 8.~~ "NAIC" ~~shall~~ means the National Association of Insurance Commissioners.

~~11 9.~~ "Reinstatement" ~~shall~~ means the process by which an insurance producer license, motor vehicle damage appraiser license, ~~claim~~ public, independent or company adjuster license or surplus line broker license is reinstated without 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. A Licensee must still complete and file a reinstatement application and pay all applicable fees.

~~42~~ 10. "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.

~~43~~ 11. "Returned Check" ~~shall~~ means s 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.

#### 5.4 Fee Schedules – Individual Licensees

- 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 to individuals 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~~ Public, Company and Independent Claim Adjusters. ~~a.~~ Initial and Renewal Application – Resident and Nonresident Claims Adjuster Biennial License Fee: ~~\$150~~ 250 (pursuant to R.I. Gen. Laws § 27-10-3).
    - ~~b. — Renewal Application — Residents and Nonresidents — \$150 (pursuant to R.I. Gen. Laws § 27-10-3)~~
  - 3. Motor Vehicle Damage Appraisers. ~~a.~~ Initial and Renewal Application – Resident and Nonresident Motor Vehicle Damage

Appraisers Biennial License Fee: ~~\$170-150~~ (~~comprised of \$50 application fee and \$60 annual fee~~ pursuant to R.I. Gen. Laws § 27-10.1-1).

~~b. — Renewal Application – Residents and Nonresidents – \$120 (comprised of \$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.

## **5.5 Fee Schedules – Business Entity Licensees**

~~A. A Business Entity applying for an insurance producer, public, company or independent claims adjuster, motor vehicle damage appraiser or surplus line broker license shall apply and pay the fee identified in 5.4 above for the individual license of the same class.~~

~~B. The fee schedule for the initial and renewal license for the other licenses issued to business entities by the Department is as follows:~~

- ~~a~~ 1. Third Party Health Insurance Administrators. ~~1-Annual~~ Fee for Certificate of Authority or Waiver (Resident and Nonresident) - \$250.
  - ~~2. — 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.~~
- ~~b~~ 2. 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)).
- ~~c~~ 3. Portable Electronics Vendors. Biennial License Fee (initial application and renewal) - \$200 (pursuant to R.I. Gen. Laws § 27-2.7-7).

#### 4. Limited Lines Travel Producer

1. 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.
2. 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.

#### 5. Life Settlement Provider

1. Fee for Initial Certificate of Authority (Resident and Nonresident) - \$1,000
2. Life Settlement Providers must file an annual report pursuant to R.I. Gen. Laws § 27-72-6 along with an annual fee of \$1,000. Failure to file the annual report or pay the annual fee shall result in immediate suspension of the license and shall be a basis to permanently revoke the license.

### **5.6 Miscellaneous Fees**

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

~~1. Duplicate License Fee: \$25.00.~~

~~1. Letter of Certification Fee: \$15.00.~~

~~2. Letter of Clearance Fee: \$15.00.~~

~~3~~ 1. Returned Check Fee: \$25.00.

~~4~~ 2. ~~Amendment to License Fee~~ Adding a Line of Authority Fee: \$50

~~5~~ 3. Reinstatement Fee - \$50

- a. 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.

## 5.7 Annual Contracted Producers Report

- A. 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~~ appointed by the insurer for business written in Rhode Island.
- B. 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~~ appointed for the prior calendar year.
- C. Each licensed insurer shall pay to the Department a fee of \$30 for each producer listed in the report to which the insurer paid in excess of \$100 in commission in the previous calendar year in accordance with pursuant to R.I. Gen. Laws § 27-2.4-4(~~b~~ a)(3).
- D. All contracted producer reports shall be filed electronically in accordance with instructions given by the Department.
- E. 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.

## 5.8 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.

## 5.9 Severability

If any provision of this Part 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 Part which can be given effect without the invalid or unconstitutional provision or application, and to this end the provisions of this Part are severable.