

# Concise Explanatory Statement

## Rhode Island Government Register

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In accordance with the Administrative Procedures Act, R.I. Gen. Laws § 42-35-2.6, following is a concise explanatory statement:

**AGENCY:** Rhode Island Department of Business Regulation

**DIVISION:** Insurance

**RULE IDENTIFIER:** 230-RICR-20-60-9

**REGULATION TITLE:** Service of Process

**RULEMAKING ACTION:** Direct Final Amendment

### REASON FOR RULEMAKING:

This regulation sets forth the service of process requirements for all insurance licensees in one place to allow for easy access of this information. The amendment proposed in § 9.6(A)(2) is to clarify the language in the regulation and harmonize it with its statutory basis with regard to the service of process obligations for surplus lines licensees.

R.I. Gen. Laws § 27-3-41 requires that an agent for service of process be designated on behalf of surplus lines insurers doing business in Rhode Island. That statute allows the agent to either be a resident surplus lines broker or another designation. The regulation, however, can be read to require two designations. This amendment is to clarify that only one designation must be made, and it can be either the resident surplus lines broker or another designee at the surplus lines insurers option.

The Department does not expect these proposed amendments to be controversial.

### CHANGES TO TEXT OF THE RULE:

No comments or objections were received. No changes were made. Therefore, the final rule is the same as what was proposed.

### REGULATORY ANALYSIS:

This regulation does not place any additional burdens on a licensee that are not already required by statute. It does, however, clarify what must be done to comply with the statute. These-

~~proposed amendments will result in no adverse impact for small businesses.~~ In the development of the proposed adoption 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.