

**RHODE ISLAND GOVERNMENT REGISTER
PUBLIC NOTICE OF PROPOSED RULEMAKING**

AGENCY: Department of Business Regulation

DIVISION: Insurance

RULE IDENTIFIER: 230-RICR-20-5-3

REGULATION TITLE: AUTOMOBILE INSURANCE RATING

RULEMAKING ACTION: Proposed Rulemaking

TYPE OF FILING: Amendment

TIMETABLE FOR ACTION ON THE PROPOSED RULE:

Public notice date: August 17, 2017

End of comment period date: September 26, 2017

Hearing date: September 19, 2017

SUMMARY OF PROPOSED RULE: The rule prohibits surcharges on minors in automobile insurance rating. The proposal is to repeal current Insurance Regulation 3 – Prohibition of Surcharges on Minors, and incorporate its terms into 230-RICR-20-5-3 - Automobile Insurance Rating.

COMMENTS INVITED:

All interested parties are invited to submit written or oral comments concerning the proposed regulations by September 26, 2017 to the addresses listed below.

ADDRESSES FOR PUBLIC COMMENT SUBMISSIONS:

Mailing Address: 1511 Pontiac Avenue, Cranston, RI 02920

Email Address: elizabeth.dwyer@dbr.ri.gov

WHERE COMMENTS MAY BE INSPECTED:

Mailing Address: 1511 Pontiac Avenue, Cranston, RI 02920

PUBLIC HEARING INFORMATION:

Hearing date: September 19, 2017

Hearing Time: 10:00 AM

Hearing Location: 1511 Pontiac Avenue, Cranston, RI 02920

The place of the public hearing is accessible to individuals who are handicapped. If communication assistance (readers/interpreters/captioners) is needed, or any other accommodation to ensure equal participation, please call 401-462-9551 or RI Relay 711 at least three (3) business days prior to the meeting so arrangements can be made to provide such assistance at no cost to the person requesting.

FOR FUTHER INFORMATION CONTACT:

Elizabeth Dwyer, Esq., Deputy Director, Department of Business Regulation, 1511 Pontiac Avenue, Cranston, RI 02920 401.462-9617 elizabeth.dwyer@dbr.ri.gov

Authority for This Rulemaking: R.I. Gen. Laws §§ 27-9-1 et seq. and 42-14-17

Regulatory Findings:

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.

The Proposed Amendment:

Department of Business Regulation proposes to repeal Insurance Regulation 3 as follows:

~~**INSURANCE REGULATION 3**~~

~~**PROHIBITION OF SURCHARGES FOR MINORS ON CLEAN RISKS**~~

Table of Contents

~~Section 1 — Regulation~~
~~Section 2 — Effective Date~~

~~**Section 1 — Regulation**~~

~~To All Insurers Licensed to Write Automobile Liability Insurance in this State:~~

~~In a few states there are statutes requiring the filing of certificates of financial responsibility by minors as prerequisite to the registry of automobiles in their names. It is almost universally agreed that such special requirements do not call for application of financial responsibility surcharges. It has been discovered that a few companies are making surcharges upon the insurance premiums charged to minors for such filings. In some cases a double surcharge has resulted when insurers have applied a manual surcharge and then used that as a basis for additional surcharge if the risk should be assigned. This latter situation is particularly distressing since the intent of the Rhode Island Assigned Risk Plan, approved by this Department as of February 11, 1952, was very definitely to the effect that assigned risks would not be surcharged if free from record of accidents or convictions.~~

~~So that equitable and non-discriminatory rating practices shall be observed by all insurers writing automobile liability insurance in this state, you are authorized and directed to comply with these provisions as follows:~~

~~"It is ruled, and you are hereby so notified, that a filing of a certificate of financial responsibility with the Registrar of Motor Vehicles of the State of Rhode Island and Providence Plantations, on behalf of a minor because he is a minor, does not subject the premium for the policy of insurance issued in connection therewith to any surcharges whatsoever.~~

~~"If the risk is 'clean,' whether voluntary or assigned, has not been involved as an operator or owner in a motor vehicle accident resulting in injury to or death of any other person or damage to property of another, or been convicted of any violation of the Motor Vehicle Code other than for parking, or been convicted of any non-motor vehicle offense and sentenced to imprisonment for five (5) or more days or fined fifty dollars (\$50.00) or more, there is no surcharge for a minor's financial responsibility filing and by no surcharge we mean that there shall be no 5 per cent (5%) surcharge nor any other surcharge."~~

Section 2 — *Effective Date*

~~This ruling is effective upon all policies written on or after July 1, 1952.~~

EFFECTIVE DATE: _____ July 1, 1952
AMENDED: _____ None
REFILED: _____ December 19, 2001