

**State of Rhode Island and Providence Plantations**  
**DEPARTMENT OF BUSINESS REGULATION**  
*Division of Insurance*  
**233 Richmond Street**  
**Providence, RI 02903**

**INSURANCE REGULATION 25**

**AUTOMOBILE INSURANCE MERIT RATING PLAN**

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**Section 1**      **Authority**

These Regulations are promulgated in accordance with authority granted by R.I. Gen. Laws §§ 27-9-5.1 and 31-47-18.

**Section 2**      **Purpose**

The purpose of this Regulation is to set forth rules and procedural requirements which the Insurance Commissioner deems necessary to carry out the provision of a uniform minimum guideline for insurance industry usage in the State of Rhode Island as relates to non fleet motor vehicles insured by companies doing business in this State. All other safe-driver point systems shall be discontinued upon the adoption of this uniform assessment and credit program until and unless approved by the Insurance Division.

**Section 3**      **Definitions**

- A. Insurance Commissioner" for the purpose of this Regulation shall mean the administrative head of the Insurance Division as set forth in R.I. Gen. Laws § 42-14-5 or his designee.
- B. "Company" for the purpose of this Regulation shall mean an insurance company, corporation or other entity authorized to transact insurance business in this State.

- C. "Department" for the purpose of this Regulation shall mean the Department of Business Regulation.
- D. "Non Fleet Vehicle" for the purpose of this Regulation shall mean any motor vehicle classified and rated by a company for inclusion under an automobile insurance policy for which rates have been approved by the Department of Business Regulation, Insurance Division, pursuant to R.I. Gen. Laws § 27-9-1 *et seq* with the exception that such vehicles shall not be included under any fleet type insurance.
- E. "Merit Rating Plan" for the purpose of this regulation shall mean a system of rules and/or plans for imposing automobile insurance rate assessments and credits based upon an individual's accident or violation record.
- F. "Chargeable Accident" for the purpose of this regulation shall mean an automobile accident in which the operator of the vehicle is determined to be more than fifty (50%) at fault.

#### **Section 4      Scope**

This regulation shall apply to all non fleet automobile rates filed with the Department on behalf of companies seeking to satisfy the requirements of R.I. Gen. Laws §§ 27-9-1 *et seq* and 31-47-18.

#### **Section 5      Additive amounts for policy assessment**

Companies shall develop and have approved for use within the State of Rhode Island programs showing an additive amount for assessment(s) to individual(s) as the result of a chargeable automobile accident(s) and/or violation(s). These additive amounts may vary by coverage, liability limits, age and price of car, physical damage deductible, etc. However, the additive amount must be reasonable, not excessive, nor unfairly discriminatory.

#### **Section 6      Reductive amounts for policy credits**

Companies shall develop and have approved for use within the State of Rhode Island programs showing a reductive amount for credit(s) to individual(s) as a result of their safe driving record. These reductive amounts may vary by coverage, liability limits, age and price of car, physical damage deductible, etc. However, the reductive amount must be reasonable, not excessive, nor unfairly discriminatory.

#### **Section 7      Chargeable Accident**

An accident will not be deemed chargeable nor any surcharge assessed against an individual who can show one of the following:

- (a) the automobile involved in the motor vehicle accident was legally parked and unattended at the time of the damage;
- (b) that the owner or operator has received at least 50 percent (50%) reimbursement from the other driver involved in the automobile accident;
- (c) that the individual has received a judgment in a court of law against the other owner or operator involved in the accident for at least 50 percent (50%) of the loss incurred;
- (d) that there has been a determination by a law enforcement agency that the damage inflicted on the owned or operated vehicle was done by an individual operating a stolen vehicle whether or not that individual was apprehended; or
- (e) that the other operator or owner of the vehicle involved in the automobile accident with the insured vehicle has had his license and/or registration suspended by action of the Registry of Motor Vehicles for failing to satisfy financial responsibility requirements.

#### **Section 8      Duration of Assessments**

The additive assessments resulting from the adoption of this regulation shall be included on new and renewal policies issued by companies doing business in the State of Rhode Island for a maximum of three (3) policy years (using the anniversary date of the original coverage as the starting point of such experience measuring period or a period not to exceed forty five (45) days in advance of such time) following the date of accident, conviction, pleading or a suspension of license.

#### **Section 9      Appeal**

Any dispute as to the applicability of assessments shall be governed in accordance with the Registry of Motor Vehicles requirement for listing of accidents or convictions with the burden of proof resting upon the owner or operator of the insured vehicle to show that he falls within one of the above mentioned exceptions.

#### **Section 10    Effective Date**

This regulation shall become effective July 1, 1992.

EFFECTIVE DATE:	January 1, 1979
CORRECTIONS:	March 5, 1979
AMENDED:	July 1, 1992
	February 17, 1997
REFILED:	December 19, 2001