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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

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A N A C T

RELATING TO INSURANCE - UNFAIR COMPETITION AND PRACTICES

Introduced By: Senator Roger Picard

Date Introduced: March 10, 2011

Referred To: Senate Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 27-29-17 and 27-29-17.3 of the General Laws in Chapter 27-29  
2 entitled "Unfair Competition and Practices" are hereby amended to read as follows:

3 **27-29-17. Application.** -- Sections 27-29-17 -- 27-29-17.4 shall apply to commercial  
4 property insurance policies, commercial liability insurance policies, ~~other than aviation and~~  
5 ~~employers' liability insurance policies, and~~ commercial package multi-peril policies, commercial  
6 excess of umbrella policies and commercial auto policies. These sections shall not apply to  
7 reinsurance, ~~residual market risks,~~ aviation insurance, workers' compensation insurance, multi-  
8 state location risks, policies subject to retrospective rating plans, ~~or excess or umbrella policies.~~

9 **27-29-17.3. Notice of premium or coverage changes.** -- (a) An insurer shall provide to  
10 the first-named insured at the mailing address shown on the policy, and to the insurance producer  
11 of record, written notice of any premium increase in excess of ten percent (10%) and shall also  
12 provide the exact renewal premium, ~~change in deductible, reduction in limits or coverage changes~~  
13 at least sixty (60) days prior to the expiration date of the policy unless the premium increase is the  
14 result of an audit or the increase is the result of an increase in exposure at the request of the  
15 insured. Notice shall be required for any coverage elimination, reduction, diminution or increased  
16 deductible not at the request of the insured and in this case the notice shall itemize and describe  
17 the coverage changes and shall be separate from the renewal policy. If the insurer fails to provide  
18 such notice, the coverage provided to the named insured shall remain in effect until notice is  
19 provided or until the effective date of replacement coverage obtained by the named insured,

1 whichever occurs first. For the purposes of this section, notice is considered given sixty (60) days  
2 following date of giving of the notice. If the named insured elects not to renew, any earned  
3 premium for the period of extension of the terminated policy shall be calculated pro-rata at the  
4 lower of the current or previous year's rate. If the insured accepts the renewal, the premium  
5 increase, if any, and other changes shall be effective the day following the prior policy's  
6 expiration or anniversary date.

7 (b) This section shall not apply to:

8 ~~(1) Changes in a rate or plan filed and approved by the commissioner and applicable to~~  
9 ~~an entire class of business.~~

10 ~~(2)~~(1) ~~Changes~~ changes based upon the altered nature or extent of the risk insured.

11 ~~(3) Changes in policy forms filed and approved with the commissioner and applicable to~~  
12 ~~an entire class of business.~~

13 SECTION 2. Chapter 27-29 of the General Laws entitled "Unfair Competition and  
14 Practices" is hereby amended by adding thereto the following section:

15 **27-29-17.5. Insured's right to loss information.** -- (a) Upon written request by the first  
16 named insured or such insured's authorized agent or broker, the insurer shall provide the  
17 following loss information, for the period of time coverage has been provided by the insurer or  
18 for five (5) years whichever is less, within seven (7) business days of such request:

19 (1) Information on closed claims, including date and descriptions of occurrence, and  
20 payments;

21 (2) Information on open claims, including date and description of occurrence, and  
22 amounts of any payments or loss reserves; and

23 (3) Information on notice of any occurrences, including date and description of  
24 occurrence.

25 (b) Nothing in this section shall affect the confidentiality requirements pursuant to  
26 chapter 5-37.3 and to insurance regulations 99 (privacy of consumer financial information) and  
27 100 (privacy of consumer health information) as promulgated by the department of business  
28 regulation.

29 (c) This section shall not apply to life, accident, health, personal, automobile,  
30 homeowner's, dwelling, personal excess liability and personal umbrella insurance policies.

31 SECTION 3. Section 1 of this act shall take effect on January 1, 2012 and Section 2 of  
32 this act shall take effect on November 1, 2011.

EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO INSURANCE - UNFAIR COMPETITION AND PRACTICES

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1           This act would change the notice requirements for reduction in coverage and premium  
2 increases for commercial property and casualty insurance policies. This act would also provide an  
3 insured with a right to request loss information.

4           Section 1 of this act would take effect on January 1, 2012 and Section 2 of this act would  
5 take effect on November 1, 2011.

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