

**DEPARTMENT OF INSURANCE
OFFICE OF THE COMMISSIONER**

Statutory Authority: 18 Delaware Code, Sections 311 and 3915 (18 **Del.C.** §§311 & 3915)

FINAL

REGULATORY IMPLEMENTING ORDER

611 Automobile Insurance Premium Refunds

I. SUMMARY OF THE EVIDENCE AND INFORMATION SUBMITTED

In the January 1, 2024 edition of the *Register of Regulations*, at 27 **DE Reg.** 488 (01/01/2024), the Commissioner of the Delaware Department of Insurance (Commissioner) published a notice of intent to codify proposed new Regulation 611, which would require carriers to refund any unearned automobile insurance premium on a canceled policy within 30 days of the date when the refund becomes due.

In response to comments from the regulated community, summarized in the re-proposal published in the May 1, 2024 edition of the *Register of Regulations*, at 27 **DE Reg.** 856 (05/01/2024), the Department chose to extend the effective date of Regulation 611, among other recommended changes.

The Department received one timely comment regarding the May 1, 2024 re-proposal from the American Property Casualty Insurance Association, which suggested amending the regulation to require carriers of large commercial auto policies that are subject to premium audit to begin audit proceedings within 30 days of the policy cancellation and return monies due within 30 days of the audit being completed.

The Department does not believe it is necessary to make any further changes to the proposed regulation to address this specific situation.

II. FINDINGS OF FACTS

The Commissioner finds that new Regulation 611, as re-proposed in the May 1, 2024 *Register of Regulations*, having been properly noticed and open for public comment, should be adopted for the reasons set forth in the re-proposal.

III. ASSESSMENT OF IMPACT

The Commissioner has reviewed Regulation 611 and has determined that, if promulgated, the regulation would have a *de minimis* impact on the State's resiliency to climate change because neither implementation nor compliance with the regulation would reasonably involve the increase in greenhouse gas emissions.

IV. DECISION TO ADOPT THE PROPOSED AMENDMENTS

For the foregoing reasons, the Commissioner concludes that it is appropriate to adopt the new 18 **DE Admin. Code** 611, as discussed in the above Findings of Fact.

V. EFFECTIVE DATE OF ORDER

The effective date of this Order shall be 90 days from the date this Order is published in the *Delaware Register of Regulations*.

IT IS SO ORDERED.

The 26th day of June, 2024.

Trinidad Navarro
Commissioner
Delaware Department of Insurance

611 Automobile Insurance Premium Refunds

1.0 Scope and Authority

1.1 This regulation is adopted by the Commissioner pursuant to the authority granted by 18 **Del.C.** §§311 and 3915 and promulgated in accordance with the Delaware Administrative Procedures Act, 29 **Del.C.** Ch. 101.

1.2 This regulation applies to all automobile insurance policies.

2.0 Definitions

The following words and terms, when used in this regulation, shall have the following meaning:

"Commissioner" means the Insurance Commissioner of Delaware.

"Insurance premium" means the amount of money paid by an insured for an insurance policy.

3.0 Issuance of Premium Refund Upon Policy Cancellation

3.1 When an automobile insurance policy is cancelled by the insured, any unearned premium shall be refunded within 30 days of the date the insured has provided the evidence required by 18 Del.C. § 3915.

3.2 Insurance premium refunds shall be paid in the same manner in which the premium was paid, by check if the original payment method is unavailable, or another manner of refund agreed to by the insured.

3.3 If a policy subject to this regulation is cancelled by an insurance premium finance company, the unearned premium shall be refunded to the insurance premium finance company in accordance with the terms of 18 Del.C. § 4809(f).

4.0 Violations; Penalties

Failure to comply with this regulation will subject the violator to the provisions of 18 Del.C. §§329 and 520, which address penalties for non-compliance of any regulation of the Commissioner.

5.0 Severability

If any section or portion of a section of this regulation or its applicability to any person or circumstance is held invalid by a court, the remainder of this regulation or the applicability of the provision to other persons or circumstances shall not be affected.

6.0 Effective Date

This regulation shall become effective 90 days after the date of publication of the notice of adoption in the *Register of Regulations*.

28 DE Reg. 144 (08/01/24) (Final)