

DEPARTMENT OF INSURANCE

Statutory Authority: 18 Delaware Code, Section 311 (18 Del.C. §311)
18 DE Admin. Code 608

PROPOSED

PUBLIC NOTICE

INSURANCE COMMISSIONER MATTHEW DENN hereby gives notice of a proposed change to **Regulation 608** relating to **Automobile Insurance Coverage**. The docket number for this proposed amendment is 358.

The proposed change to the regulation provides that insurers of private and commercial insurers authorized to issue private automobile insurance in this State shall provide a telephone number and email address to the Department of Insurance by and through which any insured or other claimant for benefits could contact the insurer for claims or claim related inquiries. The proposed amendment can also be viewed at the Delaware Insurance Commissioner's website at: <http://www.state.de.us/inscom/departments/documents/ProposedRegs/ProposedRegs.shtml>.

The Department of Insurance does not plan to hold a public hearing on the proposed changes. Any person can file written comments, suggestions, briefs, and compilations of data or other materials concerning the proposed amendment. Any written submission in response to this notice and relevant to the proposed change must be received by the Department of Insurance no later than 4:30 p.m., Monday, March 5, 2007, and should be addressed to Deputy Attorney General Michael J. Rich, c/o Delaware Department of Insurance, 841 Silver Lake Boulevard, Dover, DE 19904, or sent by fax to 302.739.5566 or email to michael.rich@state.de.us.

608 Automobile Insurance Coverage [Formerly Regulation 45]

1.0 Purpose and Statutory Authority

1.1 The purpose of this regulation is to provide for timely notice of coverage termination for short term automobile insurance coverage and for contact information for claim related matters. This regulation is promulgated pursuant to 18 Del.C. §311. This regulation should not be construed to create any cause of action not otherwise existing at law.

2.0 Application

2.1 This regulation shall apply to all private passenger automobile insurance policies issued for a period of less than six months. ~~The regulation will not apply to commercial policies.~~ Sections 2 and 3 of this regulation shall not apply to commercial automobile insurance policies.

3.0 Requirement

3.1 Each insurer issuing a private passenger automobile insurance policy shall ensure that a renewal offer is issued to the policyholder not less than 20 days before the policy expiration date.

3.2 The offer shall contain, as a minimum, the policy number, date of termination of present coverage, renewal period, total cost to continue present coverage for a comparable renewal period, description of the coverage and insured vehicle(s), date by which payment must be made for continuous coverage.

3.3 Each insurer writing private passenger automobile insurance policies for periods of less than six months shall, not less than five days prior to expiration of coverage, provide the policyholder with a notice of termination. Such notice shall contain a warning that coverage will expire on the policy expiration date unless the renewal premium is paid, and shall include instructions for premium payment.

3.4 Exceptions:

3.4.1 No termination notice shall be required where the renewal premium has been paid.

3.4.2 Where the insurer, by written underwriting guidelines, allows a period of time after the policy expiration wherein the coverage will be continued without lapse, the notice of termination may be mailed to be received by the insured within five days of the final date in which the policy may be continued without lapse.

3.4.3 The renewal notice and the notice of termination shall be mailed, by ordinary mail, to the address of record as recorded by the insurer. A copy of the final notice shall be provided the producer of record.

4.0 ~~Effective Date~~ Insurer's Obligation to Provide Contact Information

4.1 ~~This regulation shall become effective February 1, 1985. Every insurer authorized to issue private automobile insurance in this State shall provide a telephone number and email address to the Department of Insurance by and through which any insured or other claimant for benefits could contact the insurer for claims or claim related inquiries.~~

10 DE Reg. 1232 (02/01/07) (Prop.)