

# DEPARTMENT OF INSURANCE

## OFFICE OF THE COMMISSIONER

Statutory Authority: 18 Delaware Code, Sections 314 and 2501 (18 **Del.C.** §§314 & 2501)  
18 **DE Admin. Code** 610

### FINAL

#### REGULATORY IMPLEMENTING ORDER

##### 610 Automobile Premium Consumer Comparison

#### I. SUMMARY OF THE EVIDENCE AND INFORMATION SUBMITTED

In the November 1, 2018 edition of the *Register of Regulations* at 22 **DE Reg.** 364, the Commissioner of the Delaware Department of Insurance (Commissioner) published a notice of intent to repeal existing Regulation 610, and solicited written comments from the public for thirty (30) days as mandated by the Administrative Procedures Act at 29 **Del.C.** §10118(a).

As discussed in the introductory paragraphs of the proposal to repeal, Regulation 610 provides the framework for the Department's on-line auto insurance policy rate comparison tool. This tool has become obsolete since its original inception in 2006. Unlike the Regulation 610 rate calculator, contemporary on-line rate calculators provided by insurers are precisely tailored to fit an exact consumer profile. Accordingly, the Department's on-line auto rate comparison tool is no longer useful.

In addition to publishing the proposal in the *Register of Regulations*, the Department also published the proposal on its website. The Department did not hold a public hearing on the proposed new regulation.

The Department received no public comments on the proposal.

#### II. FINDINGS OF FACTS

1. Regulation 610, Automobile Premium Consumer Comparison, should be repealed.
2. The Department met the public notice requirements of the Administrative Procedures Act.
3. The Department received no public comments on the proposed repeal.

#### III. DECISION TO REPEAL REGULATION 610

For the foregoing reasons, the Commissioner concludes that it is appropriate to repeal 18 **DE Admin. Code** 610, as discussed in the above Findings of Fact for the reasons set forth above and in the proposal to repeal.

#### V. EFFECTIVE DATE OF ORDER

The actions hereinabove referred to were taken by the Commissioner pursuant to 18 **Del.C.** §§314 and 2501 on the date indicated below. The effective date of this Order shall be ten (10) days from the date this Order is published in the *Delaware Register of Regulations*.

#### IT IS SO ORDERED.

The 10<sup>th</sup> day of December, 2018.  
Trinidad Navarro  
Commissioner  
Delaware Department of Insurance

##### ~~610 Automobile Premium Consumer Comparison~~

#### 4.0 Authority

- 1.1 This regulation is adopted by the Commissioner pursuant to the authority granted by 18 **Del.C.** §§311 and 2501 and promulgated in accordance with the Delaware Administrative Procedures Act, 29 **Del.C.** Chapter 101.

#### 2.0 Definitions

~~“Insurer” shall mean every insurer licensed to offer and sell non-fleet private passenger automobile insurance coverage in the State of Delaware.~~

~~“Private passenger auto market share” shall be determined by data from the National Association of Insurance Commissioners for the prior calendar year for line numbers 19.1, 19.2 and 21.1 for the State of Delaware~~

~~“Rate estimates” shall mean the estimated annual insurance premiums produced for the Department’s rate survey.~~

~~“Rate survey” shall mean a request by the Department that insurers calculate estimated annual insurance premiums based on hypothetical consumer profiles, and to include variations in driving record, vehicle and other factors identified by the Department. The rate survey shall include estimated premiums for each zip code or other geographic area identified by the Department.~~

### **3.0 Scope**

- ~~3.1 Insurers with 1 percent or more of the Delaware private passenger automobile insurance market share shall be required to complete the full rate survey required by this regulation.~~
- ~~3.2 Insurers with .01 to .99 percent of private passenger automobile insurance market share shall be required to complete a limited rate survey consisting of a lesser number of hypothetical consumer profiles identified by the Department.~~
- ~~3.3 Insurers with less than .01 percent of private passenger automobile insurance market share shall not be required to complete a rate survey pursuant to this regulation.~~

### **4.0 Insurer Information**

- ~~4.1 Each insurer will be provided with an account on the Department’s website to provide basic company information and to administer the submission of rate survey data.~~

### **5.0 Survey Completion Deadline**

- ~~5.1 The Department of Insurance shall make available the rate survey request format with hypothetical consumer profiles, coverage levels, vehicle models and other information necessary for calculating rate estimates on the Department’s website no later than September 15<sup>th</sup> of each year.~~
- ~~5.2 In 2006, all required rate survey data from insurers must be submitted to the Department on or before November 1<sup>st</sup>, 2006. In all subsequent years, all required rate survey data from insurers must be submitted to the Department on or before October 15<sup>th</sup> of each year.~~
- ~~5.3 Rate survey data that is incomplete or not reported according to the Department’s instructions will be returned to the insurer for correction and must be resubmitted within 10 business days.~~

### **6.0 Survey Format**

- ~~6.1 Insurers shall provide rate estimates based on rates in effect as of October 1<sup>st</sup> of the year when the rate survey is being completed.~~
- ~~6.2 All rate estimates shall be rounded to the nearest dollar.~~
- ~~6.3 Insurers shall submit rate data utilizing an electronic spreadsheet provided by the Department or by other means specified by the Department. Insurers shall be required to upload the data to the Department via the internet.~~

### **7.0 Responsibility for Information and Data**

- ~~7.1 Insurers shall be responsible for the accuracy of company information and rate data submitted to the Department for publication. As part of the submission process, insurers will be subject to examination to verify the accuracy of the data being submitted.~~

### **8.0 Consumer Quote Requests**

- ~~8.1 Insurers shall provide a single electronic mail address to the Department for the purpose of allowing consumers to request a personalized automobile insurance premium quote as part of the rate comparison process.~~
- ~~8.2 The insurer shall be required to provide a direct email response to the consumer, confirming receipt of the quote request.~~

8.3 The insurer shall be required to maintain an electronic log of all email responses to consumer requests for rate quotes for a period of one year after the request. The electronic log shall be capable of being transferred to the Department upon request.

#### **9.0 Penalties**

9.1 Insurers that do not comply with this regulation are subject to the provisions of 18 ~~Del.C.~~ §329.

#### **10.0 Severability**

10.1 If any provision of this Regulation or the application of any such provision to any person or circumstance shall be held invalid the remainder of such provisions, and the application of such provision to any person or circumstance other than those as to which it is held invalid, shall not be affected.

#### **11.0 Effective Date**

11.1 This Regulation shall become effective September 11, 2006.

10 DE Reg. 566 (09/01/06)

22 DE Reg. 603 (01/01/19) (Final)