

**DEPARTMENT OF INSURANCE
OFFICE OF THE COMMISSIONER**

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

PROPOSED

PUBLIC NOTICE

611 Automobile Insurance Premium Refunds

A. Type of Regulatory Action Required

Proposal of a new regulation.

B. Synopsis of Subject Matter of the Regulation

The Department is proposing new Regulation 611 to require carriers to refund any unearned automobile insurance premium on a cancelled policy within 30 days of the date when the refund becomes due.

C. Notice and Public Comment

The Department does not plan to hold a public hearing on proposed new Regulation 611. The proposed new regulation appears below and may also be viewed at the Department of Insurance website at <http://insurance.delaware.gov/information/proposedregs/>.

Any person may file written comments, suggestions, briefs, and compilations of data or other materials concerning the proposed new regulation. Any written submission in response to this notice and relevant to the proposed regulation must be received by the Department of Insurance no later than 4:30 p.m. EST, the 2nd day of February 2024. Any such requests should be directed to:

Alisa Pritchard, Regulatory Specialist
Delaware Department of Insurance
1351 West North St., Ste. 101
Dover, DE 19904
(302) 674-7379
Email: DOI-Legal@delaware.gov

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, the insurer shall, within 30 days of the date the insured has provided the evidence required by 18 **Del.C.** §3915, refund to the insured any premium unearned on the policy.
- 3.2 Insurance premium refunds shall be paid in the same manner in which the premium was paid, unless another manner of refund is agreed to by the insured.

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 10 days after the date of publication of the notice of adoption in the *Register of Regulations*.

27 DE Reg. 488 (01/01/24) (Prop.)