

DEPARTMENT OF INSURANCE

OFFICE OF THE COMMISSIONER

Statutory Authority: 18 Delaware Code, Sections 311 and 2501 (18 **Del.C.** §§311 & 2501)
18 **DE Admin. Code** 704

FINAL

ORDER

704 Homeowners Premium Consumer Comparison

I. SUMMARY OF THE EVIDENCE AND INFORMATION SUBMITTED

In the March 1, 2019 edition of the *Register of Regulations* at 22 **DE Reg.** 751, the Commissioner of the Delaware Department of Insurance (Commissioner) published a notice of intent to repeal existing Regulation 704, 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 704 provides the framework for the Department's on-line homeowner's insurance policy rate comparison tool. This tool has become obsolete since its original inception in 2010. Unlike the Regulation 704 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 homeowner's insurance 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 repeal.

The Department received no public comments on the proposal.

II. FINDINGS OF FACTS

1. Regulation 704, Homeowners Premium Consumer Comparison, should be repealed.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 704

For the foregoing reasons, the Commissioner concludes that it is appropriate to repeal 18 **DE Admin. Code** 704, 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.** §§311 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 11th day of April, 2019.

Trinidad Navarro
Commissioner
Delaware Department of Insurance

704 Homeowners 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 401.

2.0 Definitions

~~“Homeowners market share” shall be determined by data from the National Association of Insurance Commissioners for the prior calendar year for line number 04 (“Homeowners Multiple Peril) for the State of Delaware.~~

~~“Insurer” shall mean every insurer licensed to offer and sell non-commercial residential homeowners insurance coverage in 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. The rate survey shall include estimated premiums for zip codes or other geographic area identified by the Department.~~

~~14 DE Reg. 42 (07/01/10)~~

~~3.0 Scope~~

- ~~3.1 Insurers with .01 percent or more of the Delaware homeowners insurance market share shall be required to complete the full rate survey required by this regulation.~~
- ~~3.2 Insurers with less than .01 percent of homeowners insurance market share shall not be required to complete a rate survey pursuant to this regulation.~~
- ~~3.3 The provisions of this regulation shall only apply to policies of insurance covering those properties described in 18 Del.C. §4120.~~

~~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, and other information necessary for calculating rate estimates on the Department’s website no later than April 1st of each year.~~
- ~~5.2 In 2007, all required rate survey data from insurers must be submitted to the Department on or before April 15, 2007. In all subsequent years, all required rate survey data from insurers must be submitted to the Department on or before May 1st 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.~~

~~14 DE Reg. 42 (07/01/10)~~

~~6.0 Survey Format~~

- ~~6.1 Insurers shall provide rate estimates based on rates in effect as of March 1 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 homeowners 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 was originally effective February 15, 2007.

11.2 The amended Regulation shall become effective ten days after execution of an Order by the Commissioner and publication.

10 DE Reg. 1304 (02/01/07)

14 DE Reg. 42 (07/01/10)

22 DE Reg. 946 (05/01/19) (Final)