DEPARTMENT OF INSURANCE

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

FINAL

ORDER

608 Automobile Insurance Coverage [Formerly Regulation 45]

Regulation 608 first became effective on February 1, 1985. Proposed amendments to Regulation 608 were published in the *Delaware Register of Regulations* on February 1, 2007. The public comment period of the proposed amendment remained open until March 5, 2007. Public notice of Proposed Regulation 608 in the *Register of Regulations* and two newspapers of general circulation was in conformity with Delaware law. Written comments were received from one insurance company.

Summary of the Evidence and Information Submitted

This proposed amendment was promulgated to provide easy access for the insured or any claimant for the purpose of contacting an insurer for claim or claim-related service. The proposed amendment requires the providing to the insured of an e-mail address and telephone number for claim purposes.

The public comment received from one insurance company raised a concern that customer service problems would occur in situations where claims are handled by resident licensed agents in local offices.

Findings of Fact

The public interest and that of the insured are best served by providing to the Department of Insurance a telephone number and an e-mail address by and through which any insured or other claimant for benefits could contact the insurer for claims or claim related inquiries. Nothing in this amendment precludes an insurance company from also providing to an insured a local telephone number through which a claim could be reported or followed up.

Decision and Order

Based on the provisions of 18 **Del.C.** §§311 and 2501 et. seq. and the record in this docket, I find that there is substantial evidence in favor of the adoption of this amended regulation to become effective on August 2, 2007.

Text and Citation

The text of the proposed amendments to Regulation 608 last appeared in the *Register of Regulations* Vol. 10, Issue 8, pages 1232-1233, February 1, 2007.

IT IS SO ORDERED this ____ day of ________, 2007.

Matthew Denn
Insurance Commissioner

608 Automobile Insurance Coverage [Formerly Regulation 45]

1.0 Purpose <u>and Statutory Authority</u>

1.1 <u>The purpose of this regulation is </u>~~T~~<u>t</u>o provide for timely notice of coverage termination for short term automobile insurance coverage <u>and for contact information for claim related matters. This regulation is</u>

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.

11 DE Reg. 220 (08/01/07) (Final)