

DEPARTMENT OF INSURANCE

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

FINAL

ORDER

704 Homeowners Premium Consumer Comparison

Proposed Regulation 704 relating to Homeowners Premium Consumer Comparison was published in the *Delaware Register of Regulations* on May 1, 2010. The comment period remained open until June 7, 2010. There was no public hearing on proposed Regulation 704. Public notice of the proposed Regulation 704 in the *Register of Regulations* was in conformity with Delaware law.

Summary of the Evidence and Information Submitted

No comment was received on the proposed amendments.

Findings of Fact

Based on Delaware law and the record in this docket, I make the following findings of fact:

The requirements of the proposed amendments to Regulation 704 best serve the interests of the public and of insurers and comply with Delaware law.

Decision and Effective Date

Based on the provisions of 18 **Del.C.** §§314, 1111 and 29 **Del.C.** §§10113-10118 and the record in this docket, I hereby adopt amended Regulation 704 as may more fully and at large appear in the version attached hereto to be effective on July 11, 2010.

Text and Citation

The text of the proposed Regulation 704 last appeared in the *Register of Regulations* Vol. 13, Issue 11, pages 1388-1390.

IT IS SO ORDERED this 14th day of June 2010.

Karen Weldin Stewart, CIR-ML
Insurance Commissioner

704 Homeowners Premium Consumer Comparison

1.0 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

"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.

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 ~~March~~ 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 ~~April~~ May 1 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 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 ~~shall become~~ 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. 41 (07/01/10) (Final)