



## Department of Business Regulation

1511 Pontiac Avenue

Cranston, RI 02920

# Insurance Bulletin Number 2007-1

## 230-RICR-20-05-10

### Auto Body Labor Rate Survey

The Department has received a number of inquiries on 230-RICR-20-05-10, Auto Body Labor Rate Survey. It has come to our attention that some insurers are requesting supporting and/or detailed information and data that exceeds the statutory mandate under R.I.G.L. § 27-29-4.4 and 230-RICR-20-05-10.

The Department does not believe that an insurer's request for "supporting information or supporting documentation" meets the requirements of 230-RICR-20-05-10. Regulation 108(8)(1) states "[e]ach insurer to which this Regulation applies shall utilize a survey based on the questionnaire attached hereto as Exhibit A. Insurers may customize the questionnaire with formatting; however, the substance must be in accordance with Exhibit A."

Regulation 108(8)(4) further states "[w]ith regard to the survey conducted in 2007, if an insurer finds that the response to a questionnaire is not properly completed or does not provide the full information requested, it shall notify the auto body facility in question of the deficiencies in the information requested." A request for "supporting documentation" requests substantive information in addition to that provided for in Exhibit A of the Regulation. Although the type of information requested might be useful in a rate-setting environment, neither the statute, R.I.G.L. § 27-29-4.4, nor the accompanying regulation, 230-RICR-20-05-10, provide for such information gathering through the survey process. In fact, the Regulation specifically provides in Exhibit A that "...you may be requested to produce documentary evidence supporting your response to the Department of Business Regulation, Commercial Licensing Division." The Department may, therefore, choose to gather additional supporting information, however, insurers may only request a "...a full and complete description of all of the documents that evidence each actual rate charged..."

At the hearing on the regulation a number of insurers requested that the survey include supporting documentation. Since this was simply a survey and not rate setting, the Department declined to include that level of detail.

Insurers that have requested supporting documentation and/or data that exceeds the statutory mandate under R.I.G.L. § 27-29-4.4 and 230-RICR-20-05-10 must amend its survey/request to Fully Licensed Auto Body Repair Facilities to be in compliance the 230-RICR-20-05-10.

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