



## Department of Business Regulation

### Insurance Division

1511 Pontiac Avenue, Bldg. 69-2  
Cranston, Rhode Island 02920

# Insurance Bulletin Number 2019-4

## 2019 Legislative Changes

The following legislative amendments were enacted to date during the 2019 session of the Rhode Island General Assembly. This information is being provided in accordance with [R.I. Gen. Laws § 27-71-14\(a\)](#). This bulletin is being provided for informational purposes only and may not be an all-inclusive list of enactments that impact the insurance industry. Licensees should refer to the statute itself to determine the impact. Any person wishing to be included in these annual notifications pursuant to [R.I. Gen. Laws § 27-71-14\(b\)](#) who is not currently on the interested parties list may sign up for email updates by clicking [here](#).

### Travel Insurance

[H5207A](#)

[2019 P.L. ch. 51](#)

Effective June 29, 2019

[S0256A](#)

[2019 P.L. ch. 44](#)

Effective June 28, 2019

This legislation sets forth standards governing travel insurance. The legislation becomes effective on October 1, 2019.

### Workers Comp Uninsured Protection Fund Extension

[H5305](#)

[2019 P.L. ch. 9](#)

Effective March 28, 2019

[S0242](#)

[2019 P.L. ch. 10](#)

Effective March 28, 2019

This legislation extends the effective date of the Uninsured Protection Fund from injuries occurring on or after February 1, 2019 to September 1, 2019.

### Surplus Lines Disability Insurance

[H5457](#)

[2019 P.L. ch. 103](#)

Effective July 8, 2019

[S0536](#)

[2019 P.L. ch. 136](#)

Effective July 8, 2019

This legislation provides that, notwithstanding the general bar on writing life accident and health insurance in the surplus lines market, excess disability insurance can be written in the surplus lines market.

### Chargeable Loss

[H5458](#)

[2019 P.L. ch. 183](#)

Effective January 1, 2020

[S0333A](#)

[2019 P.L. ch. 208](#)

Effective January 1, 2020

This legislation changes the amount of a chargeable loss for purpose of renewal and surcharge from \$1,500 to \$3,000.

### **Open and Obvious Condition**

[H5478a](#)

[2019 P.L. ch. 185](#)

Effective July 15, 2019

This legislation provides that an open and obvious condition is not a bar to tort recovery.

### **Service Contracts**

[H5674](#)

[2019 P.L. ch. 188](#)

Effective January 1, 2020

[S0458A](#)

[2019 P.L. ch. 243](#)

Effective January 1, 2020

This legislation defines service contracts and clarifies that such contracts are not insurance.

### **Unfair Claims Practices Act**

[H6101](#)

[2019 P.L. ch. 85](#)

Effective July 2, 2019

[S0849](#)

[2019 P.L. ch. 84](#)

Effective July 2, 2019

This legislation requires (1) a physical inspection and does not allow an appraisal to be based on pictures if the damage exceeds \$2,500, (2) that an initial appraisal be performed within three (3) business days of request, (3) that adjustments to condition of total loss vehicles must be made in accordance with the standards of a nationally recognized compilation of retail values and must be itemized, fair and reasonable and (4) when the insurer is not retaining salvage of a total loss vehicle, the insurer must notify the owner of the vehicle in writing of the requirements surrounding a salvage title.

### **Workers Comp Omnibus**

[H6134](#)

[2019 P.L. ch. 218](#)

Effective July 15, 2019

[S0909](#)

[2019 P.L. ch. 248](#)

Effective July 15, 2019

This legislation (1) provides a right of indemnification against the employer for an insurer required to pay certain damages as a result of minors employed in violation of law (2) removes the waiting period for petitions for lump sum or structured payments, (3) repeals R.I. Gen Laws §§ 28-35-46, 47, 48, 49, 50 and 51 and (4) makes a number of technical amendments to the workers compensation law.

### **Life Insurance**

[H6184Aaa](#)

[2019 P.L. ch. 121](#)

Effective July 8, 2019

[S0799Aaa](#)

[2019 P.L. ch. 149](#)

Effective July 8, 2019

This legislation prohibits a life insurer from taking certain actions related to life insurance policies solely because the individual has been issued a prescription for naloxone or has purchased naloxone.

### **Childhood Sex Abuse Claims – Statute of Limitations**

[S0315Aaa](#)

[2019 P.L. ch. 82](#)

Effective July 1, 2019

This legislation extends the statute of limitations for sexual abuse to thirty-five years from the act alleged to have caused injury or seven years from discovery of the injury. Such actions are tolled for a child until the child reaches eighteen (18) years of age.

## **Pharmacy Audits**

[H5544A](#)  
[S0581A](#)

[2019 P.L. ch. 276](#)  
[2019 P.L. ch. 278](#)

Effective July 16, 2019  
Effective July 16, 2019

Sets forth requirements for audits of the records of a pharmacy conducted by an insurer or the insurer's intermediary.

## **Healthcare Market Stability**

[H5151A](#)

[2019 P.L. ch. 88-11](#)

Effective July 5, 2019

Section 2 effective January 1, 2020

The bill: (1) amends the definition of "Health Insurance Coverage" in R.I. Gen. Laws § 27-18.5-2 to add short term limited duration insurance; (2) creates a state requirement, effective January 1, 2020, for applicable individuals to maintain minimum essential coverage together with a shared responsibility payment penalty imposed for failing to maintain minimal essential coverage; (3) amends a number of sections of R.I. Gen. Laws chapter 41-157 including a requirement that qualified health plans and qualified dental plans remit a monthly assessment to the Exchange; (4) establishes a state health insurance market integrity fund (a state reinsurance fund) contingent on the approval of the state's innovation waiver request by the federal government; and (5) creates a reporting requirement for "applicable entities" providing minimum essential coverage.

## **Explanation of Benefits Resolution**

[S0580A](#)

[2019 Resolution 399](#)

Resolution requesting the Rhode Island Department of Health to develop and promulgate regulations to ensure the confidential communication of sensitive medical information, including in Explanation of Benefits forms.

Copies of Rhode Island [Insurance Regulations](#), [Insurance Bulletins](#) and applicable [Rhode Island General Laws](#) are accessible through these links or by visiting the Department's website at [www.dbr.ri.gov](http://www.dbr.ri.gov). Copies of the [Senate](#) and [House](#) bills are accessible through these links or by visiting the Rhode Island General Assembly website at [www.rilin.state.ri.us](http://www.rilin.state.ri.us). In light of the above amendments, insurers are required to review current policy forms, rules and rates to determine if new and/or revised filings are required and to timely submit such filings in SERFF for the Department's review and approval.