



SPONSOR: Rep. Bush & Sen. Gay

HOUSE OF REPRESENTATIVES
152nd GENERAL ASSEMBLY

HOUSE BILL NO. 228

AN ACT TO AMEND TITLE 18 OF THE DELAWARE CODE RELATING TO INSURANCE RATE FILINGS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. Amend § 2506, Title 18 of the Delaware Code by making deletions as shown by strike through and
2 insertions as shown by underline as follows:

3 § 2506. Effective date of filing.

4 (a) The Commissioner shall review filings as soon as reasonably possible after they have been made in order to
5 determine whether they meet the requirements of this chapter. ~~The filings shall be deemed to meet the requirements of this~~
6 ~~chapter unless disapproved by the Commissioner.~~

7 (b) Any special filing with respect to a surety or guaranty bond required by law or by court or executive order or
8 by order, rule or regulation of a public body, not covered by a previous filing, shall become effective when filed and shall
9 be deemed to meet the requirements of this chapter until such time as the Commissioner rejects the filing.

10 (c) ~~No filing shall be effective unless filed with~~ Filings shall be submitted to the Commissioner not less than 30
11 60 days prior to the proposed effective date. ~~Such~~ Except as set forth in subsection (b) of this section and § 2504(c) of this
12 title, a filing shall be deemed to meet the statutory requirements of this chapter at the expiration of the 60-day period
13 following the filing date unless disapproved by ~~unless, within 45 days of receipt of the filing, the Commissioner within 30~~
14 ~~days of receipt of the filing, either disapproves the filing or notifies the insurer that additional time is needed to review the~~
15 filing. If the Commissioner shall determine ~~determines~~ that additional time is needed to review a rate filing, then each of the
16 following shall apply:

17 (1) ~~The the~~ The Commissioner shall, within 25 days after receipt of the filing, shall notify the filer that the review
18 of the filing shall be extended up to 90 days after the receipt of the filing, unless the insurer shall agree to a longer term
19 of review.

20 (2) The filing may not become effective and deemed to meet the statutory requirements of this chapter until the
21 earlier of the Commissioner's approval of the filing or the expiration of the timeframe provided in the Commissioner's
22 notice of extended review.

23 Section 2. Amend § 2507, Title 18 of the Delaware Code by making deletions as shown by strike through and
24 insertions as shown by underline as follows:

25 § 2507. Disapproval of filing.

26 If within 30 days after a specific inland ~~rate, a special surety or guaranty~~ marine rate on a risk specially rated by a
27 rating organization subject to § 2504(b) of this ~~title~~ title, or a special surety or guaranty bond subject to § 2506(b) of this
28 title, has become effective, or if upon review of any other filing, the Commissioner finds that such filing does not meet the
29 requirements of this ~~chapter~~, or if upon review of any other filing, the Commissioner finds that ~~the same does not meet the~~
30 ~~requirements of this chapter~~, he or she shall ~~specify the reason for his or her disapproval~~ issue an order disapproving the
31 filing and state that a hearing will be granted within 20 days after request in writing by the insurer or rating organization
32 which made such ~~filing~~, issue an order specifying filing. The Commissioner's order shall specify in what respects he or she
33 finds that such filing fails to meet the requirements of this chapter ~~and stating and~~, for filings previously in effect, state
34 when, within a reasonable period thereafter, such filing shall be deemed no longer effective. If a rate filing has not gone
35 into effect and is scheduled for a formal administrative hearing under this section, the filing may not become effective until
36 a final order is issued. A final order shall be issued within 60 days after the entire record of the hearing, including any
37 hearing officer's recommendations and any comments or exceptions thereto, has been presented to the Commissioner for
38 consideration. Copies of the order shall be sent to every such insurer and rating organization. The order shall not affect any
39 contract or policy made or issued prior to the expiration of the period set forth in the order.

SYNOPSIS

Section 1 of the bill amends Delaware's file-and-use statute for insurance rate filings to extend the timeline for filing and reviewing insurers' rate filing by (1) requiring rate filings to be filed at least 60 days in advance of the proposed effective date, and (2) authorizing the Commissioner to extend the timeframe to review the filing and postpone the effective date of the filing pending completion of the extended review. Section 2 of the bill sets forth the process for when the Commissioner proposes to deny a rate filing and requires that a filing may not become effective until a final order is issued. Section 2 of the bill also corrects technical errors in the current law.