



SPONSOR: Sen. Mantzavinos & Rep. Bush
Sens. Ennis, Gay, Paradee, Walsh; Reps. Baumbach,
Brady, Spiegelman

DELAWARE STATE SENATE
151st GENERAL ASSEMBLY

SENATE BILL NO. 81

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:

Section 1. Amend Chapter 25, Title 18 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underlining as follows:

§ 2518 Deviations.

(a) Every subscriber to a rating organization shall adhere to the filings made on its behalf by such organization except that any such insurer may make written application to the Commissioner for permission to file a deviation from the class rates, schedules, rating ~~plans~~ plans, or rules respecting any kind of insurance, or class of risk within a kind of insurance, or combination thereof. Such application shall specify the basis for the ~~modification~~ modification, and a copy thereof shall also be sent simultaneously to such rating organization.

(b) The Commissioner shall set a time and place for a hearing at which the insurer and such rating organization may be heard and shall give them not less than 10 days' written notice thereof. If the Commissioner is advised by the rating organization that it does not desire a hearing, he or she may, upon the consent of the applicant, waive such hearings.

(c) In considering the application for permission to file such ~~deviation~~ deviation, the Commissioner shall give consideration to the available statistics and the principles for ratemaking as provided in § 2503 of this title. The Commissioner shall issue an order permitting the deviation for such insurer to be filed if he or she finds it to be ~~justified~~ justified, and it shall thereupon become effective. He or she shall issue an order denying such application if he or she finds that the modification is not justified or that the resulting premiums would be excessive, ~~inadequate~~ inadequate, or unfairly discriminatory.

(d) Each deviation permitted to be filed shall be effective ~~for a period of 1 year~~ continuously from the date of such permission unless terminated sooner with the approval of the Commissioner or until such time a modification is made to the deviation. All term policies issued pursuant to such deviations may remain in force until their expiring dates.

SYNOPSIS

This bill allows for deviations from rating organization filings to be effective continuously until terminated with the approval of the Commissioner or subsequently modified. This change conforms the law to current practice.

This Act also makes technical corrections to conform existing law to the standards of the Delaware Legislative Drafting Manual.

Author: Senator Mantzavinos