

**THE INSURANCE DEPARTMENT OF THE STATE OF DELAWARE**

Statutory Authority:

18 Delaware Code Sections 311, and 2501 *et seq.*

(18 Del. C. §§ 311, and 2501 *et seq.*)

**IN RE:** )  
 ) **Docket No. 276**  
**REGULATION 610** )

**ORDER**

After publication of proposed Regulation 610 in the Delaware Register of Regulations on July 1, 2006, the public comment period on the proposed regulation remained open until August 2, 2006. Public notice of the hearings and publication of proposed Regulation 610 in the Register of Regulations and two newspapers of general circulation was in conformity with Delaware law. Written comments were received into the record from one individual, one trade association and five individual insurance companies that write automobile insurance in the State of Delaware.

**SUMMARY OF THE EVIDENCE AND INFORMATION SUBMITTED**

The proposed regulation was promulgated to provide a method whereby Delaware automobile insurance consumers would have the ability to compare premium rates of all insurers in Delaware. Each insurer would be required to submit information about its rates in response to a survey established by the Department. Insurers with less than one percent of the market would be required to fill out a less comprehensive survey. The insurers would be required to maintain records of all estimates provided to consumers and would also be required to provide a direct email response to the consumer confirming receipt of the quote request. All rate data for the website comparison would have to be filed with the Department annually on October 1<sup>st</sup> of each year.

The insurers were generally supportive of public accessibility to such rate comparison data. By and large they were concerned about the amount of detail required by the regulation, the difficulties in providing email receipts and the potential for misunderstandings and unintended reliance by the consumers on the sample rates based on hypothetical situations that did not take into account the specific risks and background information that is already available by direct contact with the consumer. All of the insurers acknowledged that they currently provide direct to consumer rate quotes by telephone or website utilities. The purpose of the regulation would be to allow the consumer to look at rates from several companies on one website rather than or prior to accessing individual company websites or making individual calls to particular insurance companies.

## FINDINGS OF FACT

Members of the public generally and the insurance consumer in particular have a vested interest in having that information available that will allow the consumer to make an informed and knowledgeable decision about insurance coverage. This regulation allows the consumer to utilize an objective information base that is not sponsored by any insurer or insurance agent. It will be designed with sufficient notice to the consumer that the comparative data is based on sample or hypothetical situations and that the information is not a rate quote or binding upon the particular insurer that submitted the information. Nevertheless, each insurer will be required to provide accurate data as part of their obligations under the regulation. The fact that the data has to be submitted on an annual basis avoids the problems inherent in using stale information. While suggesting different approaches, the insurers were supportive of the public's right to know the premium costs for consumer automobile insurance. There is no basis to amend or revise the substantive provisions of the proposed regulation based on the comments received.

## DECISION AND ORDER

Based on the provisions of 18 *Del. C.* §§ 311 and 2501 *et seq.* and the record in this docket, I hereby adopt Regulation 610 to be effective on September 11, 2006.

## TEXT AND CITATION

The text of the proposed amendments to Regulation 610 last appeared in the Register of Regulations Vol. 10, Issue 1, pages 62-63, July 1, 2006.

IT IS SO ORDERED this 11th day of August, 2006.

Matthew Denn  
Insurance Commissioner