



Department of Business Regulation
Insurance Division
1511 Pontiac Avenue, Bldg. 69-2
Cranston, Rhode Island 02920

Insurance Bulletin 2019-1

Emergency Procedures Relating to Claims Arising from Gas Outages in Newport County, RI

On January 21, 2019, Governor Raimondo declared a State of Emergency for Newport County, RI after more than 7100 National Grid customers lost gas service. The National Guard was activated to assist residents. Claims for damages against National Grid should be submitted directly to National Grid. National Grid's claim policy and form can be found [here](#). The Department encourages Rhode Island policyholders impacted by the gas outages to also contact their insurer or insurance agent to discuss insurance coverages that may be available.

The Department offers the following guidance to licensees on claims handling activity relating to the recent gas outages and restoration efforts underway in Newport County, RI:

Claims Handling:

- Rhode Island law and regulation requires the prompt investigation of all claims including investigation of the causation of loss to ascertain if coverage exists on a claim-by-claim basis.
- Insurers have a duty to properly investigate all claims to ascertain if coverage exists including the applicability of policy provisions such as sump pump and/or water backup endorsements.
- In order to qualify for any disaster assistance, insureds may be required to furnish evidence that the insurer has denied their claim in whole or in part. In cases in which an insurer is denying a claim, the insurer must provide proper documentation to the resident or business owner to allow for application for disaster assistance if available.
- The Department expects insurers to extend deadlines and offer other courtesies to claimants who have been displaced from homes or businesses and are unable to meet reporting timelines as specified in insurance policies.
- Insurers should establish expedited claim processing procedures and simplified claim reporting forms where appropriate.
- All claim forms must provide the required fraud warning statement pursuant to [R.I. Gen. Laws § 27-29-13.3](#).

Premium Payments, Vacancy Provisions and Other Policy Provisions:

- Insurers are required to provide prompt and immediate relief to those policyholders impacted, including the temporary suspension of premium payments and suspension of vacancy provisions or other obligations under the policy for those temporarily displaced. A 90-day period from date of loss is deemed reasonable, however, insurers should accommodate reasonable requests for extensions under the specific circumstances related to affected insureds or claimants.
- The Division will work with insurers to minimize the regulatory effects of an insurer's suspension of premium payments, specifically in regard to financial review requirements.
- The term "suspension" is not intended to mean forgiveness of the premium, rather, it refers to an extended grace period for the payment of premium.
- Insurers are also encouraged to work with policyholders with regard to the collection of premiums, including granting requests for reasonable payment plans.

Underwriting:

- It is not appropriate for insurers to re-rate, cancel, nonrenew, or refuse to provide insurance coverage due solely to an individual's status as a victim or evacuee relating to the recent gas outages.
- It is not reasonable to change policyholders' rating classifications or increase their insurance rates solely because they are victims or evacuees.
- Insurers should also be mindful of the provisions of [R.I. Gen. Laws §§ 27-76-1 et seq.](#) and [230-RICR-20-05-15](#) Use of Credit, Extraordinary Life Events.

Questions on this bulletin may be sent to DBR.Insurance@dbr.ri.gov or you may contact us at 401-462-9520.

Please forward this bulletin to respective staff accordingly.

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