
Addendum: for use with Rhode Island Life & Health online ExamFX courses and study guide version 20465en/20466en, per exam content outline updates effective 4/1/2019.

The following are **content additions** to supplement your existing text unless otherwise indicated:

LIFE & HEALTH

Rhode Island Rules and Regulations Common to All Lines

C. Licensing

Privacy of Consumer Information

Insurers are required to provide a clear notice to applicants and existing policyowners of the insurer's privacy policies and practices. Privacy notices must be continuously provided to insureds on an **annual basis**, as long as the relationship with the insurer is in effect.

Nonpublic personal financial information means personally identifiable financial information or any list, description, or other grouping of consumers (and publicly-available information pertaining to them) that is derived using any personally identifiable financial information that is not publicly available.

Privacy notices must include the following:

- A listing of nonpublic personal financial information collected by the insurer;
- A listing of nonpublic personal financial information the insurer discloses;
- A listing of affiliates and nonaffiliated third parties who receive disclosed nonpublic financial information;
- Categories of nonpublic personal information about the insurer's former customers;
- An explanation of the insured's rights to opt-out of the disclosure; and
- The insurer's policies and practices explaining the protection, confidentiality, and security of nonpublic personal financial information.

Insurers may satisfy privacy requirements for a consumer who is **not a customer** by providing a short-form initial notice at the same time as the licensee delivers an opt-out notice. Short-form initial notices must:

- Be clear and apparent;
- State that the privacy notice is available upon request; and
- Explain how the consumer may obtain the notice.

LIFE ONLY

Rhode Island Rules and Regulations for Life Insurance and Annuities Only

B. Policy Clauses and Provisions

Standard Provisions

You have already learned about life insurance policies and provisions, clauses, and options that apply to most policies. Listed below are standard provisions adopted by this state that must be included in all individual life insurance policies issued or delivered in this state:

- *Grace period* – after payment of the first premium, the policyowner is entitled to a grace period of **31 days** or of **one month** after the premium due date to make the payment. This provision does not apply to single premium or paid-up policies.
- *Incontestability* – life insurance policies are incontestable after the policy has been in force for a period of 2 years.

In addition, individual life insurance policies may contain a *suicide* provision that is not less favorable to policyowners than the provision outlined in state statutes. A suicide provision excludes death from suicide (sane or insane) if it occurs within the 2 years from the date of policy issue. The policy may allow a separate suicide period for any increase in specified amount that was requested by the owner and subject to evidence of insurability (no greater than 2 years from the date of any increase).

Unintentional Policy Lapse

To prevent unintentional policy lapse based on nonpayment of premium, insurers are required to notify applicants of their right to designate a third party to receive notice of cancellation. An applicant may designate a third party at the time of the application or at any time the policy is in place by submitting a written notice to the insurer that includes the name and address of the third-party designee.

In the event of nonpayment of premium, notice of cancellation must be sent to both the policyholder and the third-party designee. Appointing a third party does not constitute acceptance of liability on the part of the third party or insurer for services provided to the policyowner.