



**STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS REGULATION
1511 PONTIAC AVENUE, BUILDING 69-2
CRANSTON, RHODE ISLAND 02920**

IN THE MATTER OF:

HiRoad Assurance Company

DBR No.: 2025-IN-017

RESPONDENT.

CONSENT AGREEMENT

It is hereby agreed between the Department of Business Regulation (“Department”) and HiRoad Assurance Company (“Respondent”) as follows:

1. Respondent is an insurer domiciled in the State of Illinois, licensed in the State of Rhode Island as foreign insurance company identified by the NAIC Company Code 16138.

2. In July 2025, the Department received an informal consumer complaint from a Rhode Island constituent who advised, upon inquiry, that Respondent acknowledged that they inadvertently non-renewed their insurance policy in error, without proper notification. The consumer was without auto insurance for over two months without knowing about the issue.

3. On July 18, 2025, the Department reached out to Respondent inquiring about the circumstances that lead to the erroneous non-renewal of the constituent's insurance policy. The Department further inquired about the pervasiveness of the issue that caused the erroneous non-renewal.



4. On July 31, 2025, Respondent provided a response that stated the “issue occurred as a result of a code change in the HiRoad system which inadvertently suppressed notification of private passenger auto nonrenewal emails for 37 Rhode Island auto customers,” and the issue “was limited to auto policies which had been set to nonrenew in March 2025.” However, notices of nonrenewal were posted and available on the customers’ online portal.

5. In that response, Respondent further clarified that they “contacted impacted customers, explained the situation and offered to continue their coverage with no time out of force, or if they preferred, to cancel the policy” and provided “clear guidance in the event that a customer may have had an accident or loss during the applicable time.”

6. Upon inquiry, Respondent explained that because there were “only 39 policies impacted along with full remediation that included reinstatement of coverage with no time out of force”, they did not report the error and plan to fix the problem. This error may have had potential consequences for some insureds who did not secure replacement coverage because the status of compulsory auto insurance policies is reported to the Rhode Island Department of Motor Vehicles as a condition of maintaining a Rhode Island private passenger vehicle registration.

7. On August 4, 2025, in response to further inquiry from the Department, Respondent explained that the “error was identified due to a customer inquiry,” and from that inquiry their “underwriter reviewed the customer’s policy records and identified that the nonrenewal notice was not sent via email to the customer.”



8. A sample letter provided alongside Respondent's August 4, 2025 response, gave guidance to the consumer stating that "To maintain your coverage, you will need to pay the outstanding balance on your account resulting from your policy reinstatement." This letter gave the consumer approximately eleven (11) days to pay the owed amount. In the case of the constituent who brought this issue to the Department for review, they would have had to pay \$915.12 in a short amount of time, in addition to the amount for the next full month of coverage.

9. On August 14, 2025, the Department inquired about the payments requested, and in Respondent's response on August 21, 2025, they explained that "in all cases, policies were reinstated and renewed with no time out of force. Payment was not required as a condition of the reinstatement and renewal, but premium was billed."

10. A chart provided by Respondent shows that out of the 39 consumers affected by Respondent's oversight, 2 out of the 39 "were discovered to have been canceled for other reasons prior to the nonrenewal date," 13 "requested a cancellation due to coverage with another carrier" and all premium was written off, 12 "took no action; policy is or will be pending cancellation for nonpayment with required advance notice if payment is not received," 11 "took no action; policy cancelled for nonpayment with required advance notice" and all earned premium was written off, 1 requested a cancellation due to selling, disposing of, or otherwise no longer needing coverage, and 0 "elected to continue their coverage."

11. The average amount of the earned premium written off was \$1,216.59, with the lowest amount being \$634.08, and highest \$ 2,987.07. The total amount was \$13,382.57.



12. The average amount of the current balance due that Respondent expected the affected consumers to pay in a short amount of time is \$1,955.17, with the lowest amount being \$868.47, and the highest being \$5,033.00. The total amount was \$23,462.13.

13. Respondent stated they did not self-report to the department as their “actions were focused on remediating the impacted policies as quickly as possible and ensuring that customers received the support needed to understand the impact and their options.” Self-reporting can be an important practice that insurers should consider when they encounter material issues.

14. The Department expects that insurers, including Respondent, provide notification if they determine that there has been a material violation of Rhode Island insurance laws. Such reporting ensures that the Department’s consumer services representatives are equipped with sufficient information to assist constituents who inquire about such issues.

Rhode Island Insurance Verification System Reporting

15. Insurers in Rhode Island are required to electronically submit their full book of business to the Rhode Island Insurance Verification System (RIIVS) on a weekly basis.

16. Guidance provided by the Department in [Insurance Bulletin 2018-15](#), states that “If an actively registered vehicle does not have an associated insurance policy for four weeks in a row, a RIIVS notice will be sent to the customer indicating that they are required to obtain insurance. If the customer does not take appropriate compliance action, a second RIIVS notice will be sent to the customer. If, after the second notice, the



customer fails to comply, the DMV will revoke the registration of the vehicle and block the customer's ability to obtain or renew a license or registration."

17. In Respondent's August 21, 2025 response letter, they assured the Department that "upon reinstatement and renewal of the policies, we actively confirmed that the updated policy records were submitted to our vendor, LexisNexis, which facilitates state reporting and lienholder/lessor reporting on our behalf."

18. Additionally, Respondent stated that they have not been "notified by any of these customers that they had received a letter from the RIDMV about not having compulsory insurance and were at risk of non-compliance consequences."

19. Due to the serious potential consequences from a consumer appearing as uninsured for an extended period of time, the accuracy of RIIVS database is important.

20. This error led to inaccurate information reported to RIIVS, and the affected consumers may have been in the system listed as uninsured for the 2-month period before this error was corrected.

AUTHORITY

21. R.I. Gen. Laws § 27-8-11(a) provides that an "insurer shall furnish to the named insured the reason, or reasons, for cancellation or nonrenewal" and that "that the insurer furnish, at least thirty (30) days prior to renewal, written notice of any coverage reductions, elimination, or increased deductibles not made at the request of the insured."

22. R.I. Gen. Laws § 31-47.4(a) provides that "No contract of insurance or renewal of it shall be terminated by cancellation or failure to renew by the insurer until at least thirty (30) days after mailing to the named insured, at the address shown on the policy a notice of termination or cancellation by certificate of mailing, except that when



cancellation is for nonpayment of premium the notice shall be mailed to the named insured at the address shown on the policy at least ten (10) days prior to the effective date of cancellation.”

23. R.I. Gen. Laws § 31-47.4-3(a) provides that “ Each insurer that issues a policy that includes motor vehicle liability coverage, uninsured motorist coverage, underinsured motorist coverage, or personal injury coverage under this section shall provide weekly to the division of motor vehicles designated agent selected in accordance with the uninsured motorist identification database program, a record of each motor vehicle insurance policy in effect for vehicles registered or garaged in Rhode Island as of the date of the previous submission that was issued by the insurer.”

24. R.I. Gen. Laws § 27-71-11(b) states that “The commissioner shall take into consideration actions taken by insurers that maintain membership in best-practice organizations that exist to promote high ethical standards of conduct in the marketplace, and insurers that self-assess, self-report, and remediate problems detected to mitigate fines levied pursuant to this chapter.”

25. R.I. Gen. Laws § 42-14-16(a)(1) provides that the Department can issue penalties for violations of Title 27 or regulations promulgated thereunder.

THEREFORE, based on the foregoing, Respondent and the Department have decided to resolve this matter without further administrative proceedings and hereby agree to the following:

- I. Respondent acknowledges the above referenced facts and are entering into this Consent Order to resolve this matter fully and fairly.
- II. Respondent agrees to pay an administrative fine of \$5,000 within thirty (30) days.



- III. Respondent agrees to review, and revise if needed, its internal processes to ensure self-reporting of material violations of Rhode Island insurance laws.
- IV. *Waiver of Hearing and Appeal.* By agreeing to resolve this matter through the execution of this Consent Agreement, Respondent knowingly and voluntarily waives any right to an administrative hearing and waives any right to pursue an appeal to the Superior Court under the Rhode Island Administrative Procedures Act, R.I. Gen. Laws § 42-35-1 et seq.
- V. *Compliance; Other Laws.* Compliance with the terms of this Consent Agreement does not relieve Respondent of any obligation to comply with other applicable laws or regulations administered by or through the Department or any other governmental agency.
- VI. *Enforcement.* If Respondent fails to comply with any term or condition of this Consent Agreement within any applicable time period set forth herein, Respondent will be in violation hereunder and the Department shall be entitled to immediately take enforcement or other action in accordance with applicable law.


Counsel for Respondent and the Department hereby consent and agree to the foregoing this 24th day of October 2025.

Rhode Island Department of
Business Regulation
by its Legal Counsel

HiRoad Assurance Company
by its officer/attorney



Mariel R. Garcia

Signed by:


C:170ED235FAF40A...
Print Name: Patty Grealish-Rust
Its duly authorized: Vice President, Operations