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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO MOTOR AND OTHER VEHICLES - REPARATIONS ACT

Introduced By: Representatives Kennedy, Keable, San Bento, Naughton, and E Coderre

Date Introduced: January 16, 2014

Referred To: House Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 31-47-2 of the General Laws in Chapter 31-47 entitled "Motor
2 Vehicle Reparations Act" is hereby amended to read as follows:

3 **31-47-2. Definitions.** -- As used in this chapter the term:

4 (1) "Accident" or "motor vehicle accident" means any accident involving a motor vehicle
5 which results in bodily injury to or death of any person, or damage to the property of any person
6 in excess of five hundred dollars (\$500).

7 (2) "Administrator " means the administrator of the division of motor vehicles in the
8 department of revenue.

9 (3) "Commissioner" means the insurance commissioner of this state.

10 (4) "Dealer engaged in the business of leasing motor vehicles" means any person
11 engaged in the business of regularly making available, offering to make available, or arranging
12 for another person to use a motor vehicle pursuant to a bailment, lease, or other contractual
13 arrangement.

14 (5) "Driver" means every person who drives or is in actual physical control of a motor
15 vehicle.

16 (6) "Financial security bond" means for each motor vehicle a bond executed by the
17 owner and by a surety company duly authorized to transact business in this state.

18 (7) "Financial security deposit" means for each motor vehicle the deposit with the
19 assistant director of seventy-five thousand dollars (\$75,000) in cash, or securities, such as may

1 legally be purchased by savings banks or trust funds, of a market value of seventy-five thousand
2 dollars (\$75,000).

3 (8) "License" includes any license, permit, or privilege to operate a motor vehicle issued
4 under the laws of this state including:

5 (i) Any temporary instruction permit or examiner's driving permit;

6 (ii) The privilege of any person to drive a motor vehicle whether or not the person holds
7 a valid license; or

8 (iii) Any nonresident's operating privilege.

9 (9) "Motor vehicle" means every vehicle required to display registration plates for
10 operation upon public highways of this state.

11 (10) "Nonresident" means every person who is not a resident of this state.

12 (11) "Nonresident's operating privilege" means the privilege conferred upon a
13 nonresident by the laws of this state pertaining to the operation by that person of a motor vehicle,
14 or the use of a motor vehicle owned by that person, in this state.

15 (12) "Owner" means a person who holds the legal title of a motor vehicle. If a motor
16 vehicle is the subject of an agreement for conditional sale or lease with the right of purchase upon
17 performance of the conditions stated in the agreement and with an immediate right of possession
18 vested in the conditional vendee or lessee, the vendee or lessee is the owner. If a mortgagor of a
19 motor vehicle is entitled to possession, the mortgagor is the owner.

20 (13) (i) "Owner's policy of liability insurance" means a policy:

21 (A) Affording coverage as defined in the minimum provisions prescribed in a regulation
22 which shall be promulgated by the commissioner. The commissioner, before promulgating the
23 regulations or any amendments to them, shall consult with all insurers licensed to write
24 automobile liability insurance in this state and shall not prescribe minimum provisions which fail
25 to reflect the provisions of automobile liability insurance policies issued within this state at the
26 date of the regulation or amendment of it. Nothing contained in regulation or in this chapter shall
27 prohibit any insurer from affording coverage under an owner's policy of liability insurance more
28 liberal than that required by the minimum provisions. Every owner's policy of liability insurance
29 shall provide insurance subject to the regulation against loss from the liability imposed by law for
30 damages, including damages for care and loss of services, because of bodily injury to or death of
31 any person and injury to or destruction of property arising out of the ownership, maintenance,
32 use, or operation of a specific motor vehicle or motor vehicles within the state of Rhode Island or
33 elsewhere in the United States in North America or the Dominion of Canada, subject to a limit,
34 exclusive of interest and costs, with respect to each motor vehicle of twenty-five thousand dollars

1 (\$25,000) because of bodily injury to or death of one person in any one accident, and subject to
2 the limit for one person, to a limit of fifty thousand dollars (\$50,000) because of bodily injury to
3 or death of two (2) or more persons in any one accident, and a limit of twenty-five thousand
4 dollars (\$25,000) because of injury to or destruction of property of others in any one accident, or
5 seventy-five thousand dollars (\$75,000) combined single limit. Any insurer authorized to issue an
6 owner's policy of liability insurance as provided for in this chapter may, pending the issue of the
7 policy, make an agreement to be known as a binder, or may, in lieu of the policy, issue a renewal
8 endorsement or evidence of renewal of an existing policy, each of which shall be construed to
9 provide indemnity or protection in like manner and to the same extent as the policy. The
10 provisions of this chapter shall apply to such binders, renewal endorsements, or evidences of
11 renewal; and

12 (B) In the case of a vehicle registered in this state, a policy issued by an insurer duly
13 authorized to transact business in this state; or

14 (C) In the case of a vehicle registered in another state in the name of a nonresident, either
15 a policy issued by an authorized insurer, or a policy issued by an unauthorized insurer authorized
16 to transact business in the state of the nonresident's residence if the unauthorized insurer files with
17 the commissioner in a form to be approved by him or her a statement consenting to service of
18 process and declaring its policies shall be deemed to be varied to comply with the requirements of
19 this chapter; and

20 (D) The form of which has been approved by the commissioner.

21 (ii) No such policy shall be issued or delivered in this state until a copy of the form of the
22 policy shall have been on file with the commissioner for at least thirty (30) days, unless sooner
23 approved in writing by the commissioner, nor if within that period of thirty (30) days the
24 commissioner shall have notified the carrier in writing that in the commissioner's opinion
25 specifying the reasons for it, the form of the policy does not comply with the laws of the state.

26 (14) "Person" includes every natural person, firm, partnership, association, or
27 corporation.

28 (15) "Proof of financial security" means proof of ability to respond in damages for
29 liability arising out of the ownership, maintenance, or use of a motor vehicle as evidenced by an
30 owner's policy of liability insurance, a financial security bond, a financial security deposit, or
31 qualification as a self insurer under this title, or in the case of a nonresident, under self insurance
32 provisions of the laws of the jurisdiction of that nonresident. [Such proof may be produced in
33 either paper or electronic format. Acceptable electronic formats include display of electronic
34 images on a cellular phone or any other type of portable electronic device.](#)

1 (16) "Registration" means registration certificates and registration plates issued under the
2 laws of this state pertaining to the registration of motor vehicles.

3 (17) "Self insurer" means a person who shall have been determined by the assistant
4 director in accordance with this title, to be financially responsible.

5 (18) "State" when used in this chapter, unless the context clearly indicates otherwise,
6 means any state, territory, or possession of the United States, the District of Columbia, or any
7 province of the Dominion of Canada.

8 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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- 1 This act would permit the use of electronic forms of proof of auto liability insurance.
- 2 This act would take effect upon passage.

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