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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

A N A C T

RELATING TO INSURANCE – LIABILITY INSURANCE

Introduced By: Senators Archambault, Coyne, and Lombardo

Date Introduced: March 26, 2021

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-7-2.1 of the General Laws in Chapter 27-7 entitled "Liability
2 Insurance" is hereby amended to read as follows:

3 **27-7-2.1. Uninsured motorist coverage.**

4 (a) No policy insuring against loss resulting from liability imposed by law for property
5 damage caused by collision, bodily injury, or death suffered by any person arising out of the
6 ownership, maintenance, or use of a motor vehicle shall be delivered or issued for delivery in this
7 state with respect to any motor vehicle registered or principally garaged in this state unless coverage
8 is provided in or supplemental to the policy, for bodily injury or death in limits set forth in each
9 policy, but in no instance less than the limits set forth in § 31-31-7 under provisions approved by
10 the insurance commissioner, for the protection of persons insured under the policy who are legally
11 entitled to recover damages from owners or operators of uninsured motor vehicles and hit-and-run
12 motor vehicles because of property damage, bodily injury, sickness, or disease, including death,
13 resulting from that injury, sickness or disease. The insurer shall provide uninsured motorist
14 coverage in an amount equal to the insured's bodily injury liability limits. The named insured shall
15 have the option of selecting a limit in writing less than the bodily injury liability coverage, but in
16 no event less than the limits set forth in § 31-31-7, unless the named insured is purchasing only the
17 minimum coverage required by compulsory insurance provisions of the general laws, in which case
18 the limit can be reduced to zero, but only after signing an advisory notice approved by the director
19 of business regulation concerning the hazard of uninsured and underinsured motorists. That

1 coverage shall also apply in the case of a responsible party whose liability insurance carrier was
2 insolvent at the time of the accident or became insolvent subsequent to the accident.

3 (b) Notwithstanding the provisions of subsection (a), the named insured shall have the
4 option to reject, in writing, uninsured motorist coverage for loss resulting from damage to property.
5 If the named insured has collision coverage for property damage to his or her vehicle, then no
6 coverage for uninsured motorist property damage shall be required unless the insured at his or her
7 option chooses to purchase that coverage.

8 (c) For the purposes of this section:

9 (1) "Policy insuring against loss" means a policy which provides primary coverage for the
10 insured motor vehicle; and

11 (2) "Property damage" means injury to or destruction of the insured vehicle, including its
12 loss of use and any property, excluding business property, owned by the insured while contained
13 in the insured vehicle.

14 (d) After the selection of limits by the named insured or the exercise of the right to reject
15 that portion of the coverage which applies to property damage, the insurer or any affiliated insurer
16 shall be required to notify the policyholder, in any renewal, reinstatement, substitute, amended,
17 altered, modified, transfer, or replacement policy, as to the availability of that coverage or optional
18 limits. The insured may, subject to the limitations expressed in this chapter, make a written request
19 for higher limits, newly added coverage, or coverage more extensive than that provided on a prior
20 policy.

21 (e) Property damage caused by collision shall be subject to a two hundred dollar (\$200)
22 deductible per claim unless otherwise agreed. Any claim submitted under the property damage
23 portion of this section must include the name, address, and other means of identification to establish
24 that the at-fault operator is without insurance. The rate for this coverage will be established as a
25 percentage of the existing base collision insurance rate as utilized by the majority of companies, to
26 be determined by the insurance commissioner.

27 (f) Whenever, through subrogation, an insurance company or its insurance producer
28 collects a casualty loss from a third party, that company or insurance producer shall, from the funds
29 collected, first pay to the insured the deductible portion of the casualty loss less the prorated share
30 of subrogation expense and only after this retain any funds in excess of the deductible portion of
31 the recovery.

32 (g) For the purposes of this section "uninsured motorist" shall include an underinsured
33 motorist. An "underinsured motorist" is the owner or operator of a motor vehicle who carries
34 automobile liability insurance with coverage in an amount less than the limits or damages that

1 persons insured pursuant to this section are legally entitled to recover because of bodily injury,
2 sickness, or disease, including death, resulting from that injury, sickness or disease.

3 (h) A person entitled to recover damages pursuant to this section shall not be required to
4 make a claim against or bring an action against the uninsured or underinsured tortfeasor as a
5 prerequisite to recover damages from the insurer providing coverage pursuant to this section. In the
6 event that the person entitled to recover against an underinsured motorist recovers from the insurer
7 providing coverage pursuant to this section, that insurer shall be entitled to subrogation rights
8 against the underinsured motorist and his or her insurance carrier. Release of the tortfeasor with the
9 consent of the company providing the underinsured coverage shall not extinguish or bar the claim
10 of the insured against the underinsurance carrier regardless of whether the claim has been
11 liquidated.

12 (i) Whenever an insured has ~~paid two (2)~~ one or more ~~separate premiums for~~ motor vehicles
13 and has uninsured motorists' coverage for those motor vehicles in a single policy of insurance or
14 under several policies with the same insurance company, the insured shall be permitted to collect
15 up to the aggregate amount of coverage for all of the vehicles insured, regardless of any language
16 in the policy to the contrary.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO INSURANCE – LIABILITY INSURANCE

1 This act would provide that if an insured has one or more motor vehicles with uninsured
2 motorist's coverage, the insured is permitted to collect up to the aggregate amount of coverage for
3 all vehicles covered by the insurance policies.

4 This act would take effect upon passage.

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