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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

A N A C T

RELATING TO INSURANCE -- UNFAIR CLAIMS SETTLEMENT PRACTICES ACT

Introduced By: Representatives O'Brien, Almeida, Marshall, Carnevale, and Craven

Date Introduced: May 01, 2014

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-9.1-5 of the General Laws in Chapter 27-9.1 entitled "Unfair
2 Claims Settlement Practices Act" is hereby amended to read as follows:

3 **27-9.1-5. Response and statement of charges.** -- The director shall provide an initial
4 response within two (2) weeks to any written consumer complaint containing specific and
5 credible allegation of an unfair claims settlement practice punishable pursuant to this chapter.
6 ~~Whenever~~ Within thirty (30) days of receipt of an insurer's response to a written complaint, the
7 director ~~has~~ must determine if there is reasonable cause to believe that any insurer doing business
8 in this state is engaging in any unfair claims practice and that a proceeding in respect to the
9 practice would be in the public interest,~~the~~ . Whenever a determination of reasonable cause has
10 been made, the director shall issue and serve upon the insurer a statement of the charges in that
11 respect and a notice of hearing, which notice shall set a hearing date not less than thirty (30) days
12 from the date of the notice.

13 If reasonable cause has not been established, the director shall provide notice of its
14 decision to the complainant within thirty (30) days of receipt of an insurer's response to a written
15 complaint.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO INSURANCE -- UNFAIR CLAIMS SETTLEMENT PRACTICES ACT

1 This act would require that the director of business regulation, within thirty (30) days of
2 receipt of an insurer's response to a written complaint, must determine if there is reasonable cause
3 that the insurer is engaging in an unfair claims practice, and if reasonable cause is not established,
4 the director would provide notice of the decision to the complainant within thirty (30) days of the
5 insurer's response to the written complaint.

6 This act would take effect upon passage.

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