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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N A C T

RELATING TO INSURANCE -- CASUALTY INSURANCE RATING

Introduced By: Representatives Sanchez, Morales, Cruz, Tanzi, Giraldo, Stewart, and Alzate

Date Introduced: February 12, 2025

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-9-4 of the General Laws in Chapter 27-9 entitled "Casualty
2 Insurance Rating" is hereby amended to read as follows:

3 **27-9-4. Considerations in making of rates — Cancellation of policy. [Effective**
4 **January 1, 2025.]**

5 (a) All rates shall be made in accordance with the following provisions:

6 (1)(i) Due consideration shall be given to past and prospective loss experience within and
7 outside this state, to catastrophe hazards, if any, to a reasonable margin for underwriting profit and
8 contingencies, to dividends, savings, or unabsorbed premium deposits allowed or returned by
9 insurers to their policyholders, members, or subscribers, to past and prospective expenses both
10 countrywide and those specially applicable to this state, and to all other relevant factors within and
11 outside this state; provided, that no consideration shall be given to:

12 (A) Any loss or incident involving a bus driver, while in the course of the bus driver's
13 employment for the Rhode Island public transit authority or private or municipal school bus
14 companies, in establishing or maintaining that driver's rate respecting the operation of a personal
15 motor vehicle or vehicles;

16 (B) Any loss or incident involving a law enforcement officer, while in the course of the
17 law enforcement officer's employment for the state, city, town police departments, or federal law
18 enforcement agency, in establishing or maintaining that driver's rate respecting the operation of a
19 personal motor vehicle or vehicles; and

1 (C) Any loss or incident involving a commercial vehicle driver, while in the course of the
2 commercial vehicle driver's employment, in establishing or maintaining that driver's rate
3 respecting the operation of a personal motor vehicle(s);

4 (ii) It shall be the responsibility of a commercial vehicle driver to provide the commercial
5 vehicle driver's insurance company with proof that the loss or incident took place in the course of
6 employment while operating a commercial vehicle. For the purposes of this section, a "commercial
7 vehicle" shall be a motor vehicle with a gross weight in excess of ten thousand pounds (10,000 lbs.)
8 or a motor vehicle used for public livery;

9 (2) The systems of expense provisions included in the rates for use by any insurer or group
10 of insurers may differ from those of other insurers or groups of insurers to reflect the requirements
11 of the operating methods of any insurer or group with respect to any kind of insurance, or with
12 respect to any subdivision or combination of insurance for which subdivision or combination
13 separate expense provisions are applicable;

14 (3) Risks may be grouped by classifications for the establishment of rates and minimum
15 premiums;

16 (4) Rates shall not be excessive, inadequate, or unfairly discriminatory;

17 (5) For any policy written, delivered, or renewed on or after January 1, 2025, in establishing
18 or maintaining an insured's rate or classification respecting the operation of a personal motor
19 vehicle, widowed persons shall not be treated differently than persons in a marriage; and

20 (6) In establishing or maintaining an insured's rate or classification respecting the operation
21 of a personal motor vehicle, any insured sixty-five (65) years of age or older, who meets the criteria
22 set forth in this section and has not had any chargeable accidents or moving violations within three
23 (3) years preceding the establishment of the rate of insurance or classification, shall not be penalized
24 solely by reason of his or her age.

25 (b)(1) No insurance company organized to do business within this state shall make any
26 distinction or discrimination as to the premiums or rates charged for automobile insurance policies,
27 and determination of the rate class of the individual, on the basis of education level, race, ethnicity,
28 disability, occupation, income, credit scores, credit card reports, credit checks, gender, zip code or
29 adjacent zip code, census tract, nor insert in the policy any condition nor make any stipulation
30 where the person insured shall bind himself or herself, his or her heirs, executors, administrators
31 and assigners, to accept any less sum than the full value or amount of the policy in case of a claim
32 accruing on the policy by reason of the claim of the person insured, other than those stipulations or
33 conditions as are imposed upon all persons in similar cases, and any stipulation or condition made
34 in this manner shall be void.

1 (2) The insurance company shall solely rely on the driving record of the individual with
2 regard to the premiums or rates charged for automobile insurance policies and the acceptance or
3 rejection of the application of the individual for insurance coverage.

4 ~~(b)~~(c) No insurance company shall fail to renew a private passenger automobile policy
5 because of a loss occurrence only, unless a chargeable loss occurrence of three thousand dollars
6 (\$3,000) or more than two (2) nonchargeable loss occurrences, involving the insured, have taken
7 place within the annual policy year.

8 ~~(e)~~(d)(1) No insurance company shall fail to renew a private passenger automobile policy
9 solely because the insured has attained the age of sixty-five (65) years or older;

10 (2) Whenever the commissioner of insurance shall have reason to believe that any
11 insurance company has refused to renew a private passenger automobile policy solely because the
12 applicant has reached the age of sixty-five (65) years or older, the commissioner shall notify the
13 company that it may be in violation of this section and in his or her discretion he or she may require
14 a hearing to determine whether or not the company has actually been engaged in the practice stated
15 in this subsection. Any hearing held under this section shall in all respects comply with the hearing
16 procedure provided in the Administrative Procedures Act, chapter 35 of title 42;

17 (3) If after the hearing the commissioner shall determine that the company has engaged in
18 the practice of systematically failing to renew private passenger automobile policies because of the
19 advanced age of the insured, the commissioner shall reduce their findings to writing and shall issue
20 and cause to be served upon the company an order to cease and desist from engaging in those
21 practices. After the issuance of the cease and desist order, if the commissioner finds that the
22 company has continued to engage in those practices, the commissioner shall impose upon the
23 company a fine not to exceed the amount of one thousand dollars (\$1,000) for each separate
24 violation.

25 (4) Any company aggrieved by any order or decision of the commissioner of insurance
26 may appeal the order and decision to the superior court of Providence in accordance with the
27 Administrative Procedures Act, chapter 35 of title 42.

28 ~~(d)~~(e) No insurance group, carrier, or company in establishing any premium surcharge or
29 penalty relative to a specific motor vehicle policy, shall consider any accident or any claim where
30 any insured covered by that policy is fifty percent (50%) or less at fault.

31 ~~(e)~~(f) No insurance group, carrier, or company shall assess any premium surcharge against
32 any insured covered by a motor vehicle policy where a property damage claim payment is less than
33 three thousand dollars (\$3,000).

34 ~~(f)~~(g) No insurance group, carrier, or company shall refuse to issue motor vehicle liability

1 insurance, impose a surcharge, or otherwise increase the rate for a motor vehicle policy solely
2 because the applicant is a volunteer driver. Volunteer driver is defined as a person who provides
3 services without compensation to a nonprofit agency or charitable organization.

4 SECTION 2. This act shall take effect on January 1, 2026 and apply prospectively to any
5 policy for automobile insurance coverage issued or renewed on or after January 1, 2026.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO INSURANCE -- CASUALTY INSURANCE RATING

1 This act would prohibit automobile insurance companies from utilizing education level,
2 race, ethnicity, disability, occupation, income, credit scores, credit card reports, credit checks,
3 gender, zip code or adjacent zip code, or census tract to determine automobile insurance rates,
4 premiums, and/or eligibility for coverage. This act would also restrict the insurance companies to
5 rely solely on the driving record of the individual with regard to premiums or rates changed for
6 insurance policies or rejection of the individual's application for coverage. The department of
7 business regulation would enforce the provisions of this act

8 This act would take effect on January 1, 2026 and apply prospectively to any policy for
9 automobile insurance coverage issued or renewed on or after January 1, 2026.

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