

2025 -- S 0084 SUBSTITUTE A

LC000493/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO INSURANCE -- CASUALTY INSURANCE RATING

Introduced By: Senators Raptakis, Thompson, Burke, Patalano, Zurier, Urso, Paolino,  
Tikoian, Sosnowski, and Gu  
Date Introduced: January 31, 2025  
Referred To: Senate Commerce

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.**
- 4           (a) All rates shall be made in accordance with the following provisions:
- 5           (1)(i) Due consideration shall be given to past and prospective loss experience within and  
6 outside this state, to catastrophe hazards, if any, to a reasonable margin for underwriting profit and  
7 contingencies, to dividends, savings, or unabsorbed premium deposits allowed or returned by  
8 insurers to their policyholders, members, or subscribers, to past and prospective expenses both  
9 countrywide and those specially applicable to this state, and to all other relevant factors within and  
10 outside this state; provided, that no consideration shall be given to:
- 11           (A) Any loss or incident involving a bus driver, while in the course of the bus driver's  
12 employment for the Rhode Island public transit authority or private or municipal school bus  
13 companies, in establishing or maintaining that driver's rate respecting the operation of a personal  
14 motor vehicle or vehicles;
- 15           (B) Any loss or incident involving a law enforcement officer, while in the course of the  
16 law enforcement officer's employment for the state, city, town police departments, or federal law  
17 enforcement agency, in establishing or maintaining that driver's rate respecting the operation of a  
18 personal motor vehicle or vehicles; and
- 19           (C) Any loss or incident involving a commercial vehicle driver, while in the course of the

1 commercial vehicle driver's employment, in establishing or maintaining that driver's rate  
2 respecting the operation of a personal motor vehicle(s);

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

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

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

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

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

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

24 (b) No insurance company shall fail to renew a private passenger automobile policy  
25 because of a loss occurrence only, unless a chargeable loss occurrence of three thousand dollars  
26 (\$3,000) or more than two (2) nonchargeable loss occurrences, involving the insured, have taken  
27 place within the annual policy year.

28 (c)(1) No insurance company shall fail to renew a private passenger automobile policy  
29 solely because the insured has attained the age of sixty-five (65) years or older;

30 (2) Whenever the commissioner of insurance shall have reason to believe that any  
31 insurance company has refused to renew a private passenger automobile policy solely because the  
32 applicant has reached the age of sixty-five (65) years or older, the commissioner shall notify the  
33 company that it may be in violation of this section and in his or her discretion he or she may require  
34 a hearing to determine whether or not the company has actually been engaged in the practice stated

1 in this subsection. Any hearing held under this section shall in all respects comply with the hearing  
2 procedure provided in the Administrative Procedures Act, chapter 35 of title 42;

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

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

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

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

20 (f) No insurance group, carrier, or company shall refuse to issue motor vehicle liability  
21 insurance, impose a surcharge, or otherwise increase the rate for a motor vehicle policy solely  
22 because the applicant is a volunteer driver. Volunteer driver is defined as a person who provides  
23 services without compensation to a nonprofit agency or charitable organization.

24 (g) No insurance group, carrier or company shall assess any premium surcharge or penalty  
25 against an insured solely for making any inquiry related to the actual terms of their policy.

26 SECTION 2. This act shall take effect on January 1, 2026.

=====  
LC000493/SUB A  
=====

EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO INSURANCE -- CASUALTY INSURANCE RATING

\*\*\*

- 1           This act would prohibit casualty insurers from assessing any premium surcharge or penalty
- 2   against an insured solely for inquiring about the terms of the insured's policy.
- 3           This act would take effect on January 1, 2026.

=====  
LC000493/SUB A  
=====