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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO INSURANCE -- LIABILITY INSURANCE -- RENTAL VEHICLE
COVERAGE

Introduced By: Senators Britto, Thompson, and Appollonio

Date Introduced: April 16, 2025

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-7-6 of the General Laws in Chapter 27-7 entitled "Liability
2 Insurance" is hereby amended to read as follows:

3 **27-7-6. Rental vehicle coverage.**

4 (a)(1) For liability assumed under a written contract, coverage shall be provided under the
5 property damage liability section of an insured's private passenger automobile insurance policy.
6 Property damage coverage shall extend to a rented motor vehicle, under ten thousand pounds
7 (10,000 lbs.), without regard to negligence for a period not to exceed sixty (60) consecutive days.

8 (2) Coverage under subsection (a)(1) of this section shall apply to the named insured and
9 driver(s) listed on the private passenger automobile insurance policy and/or their designee(s).
10 unless the designee driver is specifically excluded from the policy.

11 (b) Coverage pursuant to subsection (a) shall apply to all collision and comprehensive type
12 losses.

13 (c) Whenever liability is accepted by an insurance company involving an accident that
14 results in their insured's causing a total loss of the other party's vehicle, the at-fault carrier shall
15 extend coverage for a rental vehicle for not less than an additional seven (7) days after the aggrieved
16 party receives the total loss property damage check.

17 (d) Coverage shall be provided for loss of use of the rental motor vehicle; provided, that a
18 claim for loss of use of a rental vehicle shall be limited to the reasonable time to repair or replace

1 the rental vehicle, and shall be no less than the daily rental rate set forth in the rental agreement. To
2 establish loss of use, the rental car company shall demonstrate that the rental vehicle sustained
3 damage, regardless of fault, requires repair, and will be out of service for the period of time
4 determined by a Rhode Island licensed auto appraiser or adjuster. In the case of a total loss, loss of
5 use payments shall be made up until the time the vehicle owner receives the property damage
6 payment for the total loss. Coverage for loss of use of a rented motor vehicle shall be provided
7 regardless of fleet utilization.

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 restrict private vehicle property damage insurance coverage for a rental
- 2 passenger vehicle, to the named insured and drivers listed on that private policy, unless the
- 3 designated driver is specifically excluded.
- 4 This act would take effect upon passage.

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