

2026 -- S 2431

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S T A T E O F R H O D E I S L A N D

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO INSURANCE -- CASUALTY INSURANCE RATING

Introduced By: Senators Famiglietti, Thompson, Appollonio, Burke, Dimitri, Patalano, Murray, Bissailon, LaMountain, and Tikoian

Date Introduced: February 06, 2026

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. [Effective January**
4 **1, 2026.]**

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

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

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

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

31 (2) Whenever the commissioner of insurance shall have reason to believe that any
32 insurance company has refused to renew a private passenger automobile policy solely because the
33 applicant has reached the age of sixty-five (65) years or older, the commissioner shall notify the
34 company that it may be in violation of this section and in the commissioner's discretion the

1 commissioner may require a hearing to determine whether or not the company has actually been
2 engaged in the practice stated in this subsection. Any hearing held under this section shall in all
3 respects comply with the hearing procedure provided in the Administrative Procedures Act, chapter
4 35 of title 42.

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

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

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

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

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

26 (g) No group, carrier, or company providing personal lines insurance as defined in § 27-
27 14.5-1 shall assess any premium surcharge or penalty against an insured inquiring about the specific
28 terms of their policy. Nothing in this subsection shall be construed to prevent an insurance group,
29 carrier, or company from assessing a premium surcharge, change in rating, or penalty as a result of
30 a policy change or loss.

31 (h) An insurer issuing motor vehicle liability insurance which utilizes the zip code of where
32 a vehicle is garaged when calculating their policy premium may do so provided the calculation of
33 the zip code is segmented by the municipality where the vehicle is garaged. The provisions of this
34 subsection shall be effective for policies issued or renewed on or after July 1, 2027.

1 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 -- CASUALTY INSURANCE RATING

- 1 This act would permit, on and after July 1, 2027, for an insurer to consider the zip code in
- 2 which the vehicle is garaged provided that the calculation of the zip code is segmented by the
- 3 municipality where the vehicle is garaged.
- 4 This act would take effect upon passage.

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