

2026 -- S 2771

LC004462

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO INSURANCE -- DOMESTIC INSURANCE COMPANIES

Introduced By: Senators Pearson, Mack, Gallo, Tikoian, Lauria, Kallman, Euer, and
Zurier

Date Introduced: March 04, 2026

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 27-1 of the General Laws entitled "Domestic Insurance Companies"

2 is hereby amended by adding thereto the following section:

3 **27-1-48. Time limits for claim settlements.**

4 (a) Notwithstanding the provisions of any other general or public law to the contrary, within
5 thirty (30) days from receipt of a notice of claim filed by an insured party, the insurer shall either:

6 (1) Issue a determination of denial of coverage or acceptance of coverage to the insured
7 party and if coverage is accepted, provide a good faith offer to settle the claim; or

8 (2) Notify the insured in writing that additional information is required to complete the
9 review of the claim. If the insurer provides notice pursuant to this subsection, then the insurer shall
10 provide in the written notice the additional items that are needed to complete the review. Upon
11 receipt of the identified items by the insurer, the insurer shall comply with the requirements of
12 subsection (a)(1) of this section.

13 (b) Failure to comply with the provisions of this section shall subject the insurer to a penalty
14 of two hundred fifty dollars (\$250) per day, payable to the insured party.

15 (c) Insured parties may file a written complaint with the department of business regulation
16 (DBR). The director of the DBR or the director's designee shall conduct an investigation, and upon
17 a determination that the conduct of the insurer violates the provisions of this section, the director
18 shall order payment to the insured party within fourteen (14) days.

19 (d) Nothing in this section shall be construed to limit the rights of an insured to pursue a

1 civil action against the insurer for breach of contract or bad faith, nor shall the provisions of this
2 section be construed to limit any recovery or judgment for compensatory damage, punitive
3 damages, or costs or expenses.

4 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 -- DOMESTIC INSURANCE COMPANIES

1 This act would require insurance companies to settle claims or request additional
2 information within thirty (30) days of receipt of a notice of claim filed by an insured party. Failure
3 to comply would result in a penalty of two hundred fifty (\$250) dollars per day, payable to the
4 insured.

5 This act would take effect upon passage.

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