

2026 -- S 3195

LC005229

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO INSURANCE -- LIABILITY INSURANCE

Introduced By: Senators LaMountain, Burke, Famiglietti, Bissaillon, and Dimitri

Date Introduced: April 03, 2026

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-7-2.1 of the General Laws in Chapter 27-7 entitled "Liability
2 Insurance" is hereby amended to read as follows:

3 **27-7-2.1. Uninsured motorist coverage.**

4 (a) No policy insuring against loss resulting from liability imposed by law for property
5 damage caused by collision, bodily injury, or death suffered by any person arising out of the
6 ownership, maintenance, or use of a motor vehicle shall be delivered or issued for delivery in this
7 state with respect to any motor vehicle registered or principally garaged in this state unless coverage
8 is provided in or supplemental to the policy, for bodily injury or death in limits set forth in each
9 policy, but in no instance less than the limits set forth in § 31-47-2(13)(i)(A) under provisions
10 approved by the insurance commissioner, for the protection of persons insured under the policy
11 who are legally entitled to recover damages from owners or operators of uninsured motor vehicles
12 and hit-and-run motor vehicles because of property damage, bodily injury, sickness, or disease,
13 including death, resulting from that injury, sickness, or disease. The insurer shall provide uninsured
14 motorist coverage in an amount equal to the insured's bodily injury liability limits. The named
15 insured shall have the option of selecting a limit in writing less than the bodily injury liability
16 coverage, but in no event less than the limits set forth in § 31-47-2(13)(i)(A), ~~unless the named~~
17 ~~insured is purchasing only the minimum coverage required by compulsory insurance provisions of~~
18 ~~the general laws, in which case the limit can be reduced to zero, but only after signing an advisory~~
19 ~~notice approved by the director of business regulation concerning the hazard of uninsured and~~

1 ~~underinsured motorists~~. That coverage shall also apply in the case of a responsible party whose
2 liability insurance carrier was insolvent at the time of the accident or became insolvent subsequent
3 to the accident.

4 (b) ~~Notwithstanding the provisions of subsection (a), the named insured shall have the~~
5 ~~option to reject, in writing, uninsured motorist coverage for loss resulting from damage to property.~~

6 If the named insured has collision coverage for property damage to his or her vehicle, then no
7 coverage for uninsured motorist property damage shall be required unless the insured at his or her
8 option chooses to purchase that coverage.

9 (c) For the purposes of this section:

10 (1) "Policy insuring against loss" means a policy that provides primary coverage for the
11 insured motor vehicle; and

12 (2) "Property damage" means injury to or destruction of the insured vehicle, including its
13 loss of use and any property, excluding business property, owned by the insured while contained
14 in the insured vehicle.

15 (d) After the selection of limits by the named insured ~~or the exercise of the right to reject~~
16 ~~that portion of the coverage that applies to property damage~~, the insurer or any affiliated insurer
17 shall be required to notify the policyholder, in any renewal, reinstatement, substitute, amended,
18 altered, modified, transfer, or replacement policy, as to the availability of that coverage or optional
19 limits. The insured may, subject to the limitations expressed in this chapter, make a written request
20 for higher limits, newly added coverage, or coverage more extensive than that provided on a prior
21 policy.

22 (e) Property damage caused by collision shall be subject to a two hundred dollar (\$200)
23 deductible per claim unless otherwise agreed. Any claim submitted under the property damage
24 portion of this section must include the name, address, and other means of identification to establish
25 that the at-fault operator is without insurance. The rate for this coverage will be established as a
26 percentage of the existing base collision insurance rate as utilized by the majority of companies, to
27 be determined by the insurance commissioner.

28 (f) Whenever, through subrogation, an insurance company or its insurance producer
29 collects a casualty loss from a third party, that company or insurance producer shall, from the funds
30 collected, first pay to the insured the deductible portion of the casualty loss less the prorated share
31 of subrogation expense and only after this retain any funds in excess of the deductible portion of
32 the recovery.

33 (g) For the purposes of this section "uninsured motorist" shall include an underinsured
34 motorist. An "underinsured motorist" is the owner or operator of a motor vehicle who carries

1 automobile liability insurance with coverage in an amount less than the limits or damages that
2 persons insured pursuant to this section are legally entitled to recover because of bodily injury,
3 sickness, or disease, including death, resulting from that injury, sickness, or disease.

4 (h) A person entitled to recover damages pursuant to this section shall not be required to
5 make a claim against or bring an action against the uninsured or underinsured tortfeasor as a
6 prerequisite to recover damages from the insurer providing coverage pursuant to this section. In the
7 event that the person entitled to recover against an underinsured motorist recovers from the insurer
8 providing coverage pursuant to this section, that insurer shall be entitled to subrogation rights
9 against the underinsured motorist and his or her insurance carrier. Release of the tortfeasor with the
10 consent of the company providing the underinsured coverage shall not extinguish or bar the claim
11 of the insured against the underinsurance carrier regardless of whether the claim has been
12 liquidated.

13 (i) Whenever an insured has paid two (2) or more separate premiums for uninsured
14 motorists' coverage in a single policy of insurance or under several policies with the same insurance
15 company, the insured shall be permitted to collect up to the aggregate amount of coverage for all
16 of the vehicles insured, regardless of any language in the policy to the contrary.

17 SECTION 2. This act shall take effect on January 1, 2027, and shall apply prospectively to
18 any new or renewed policy of insurance issued or renewed after January 1, 2027.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO INSURANCE -- LIABILITY INSURANCE

- 1 This act would provide for mandatory uninsured motorist coverage.
- 2 This act would take effect on January 1, 2027, and shall apply prospectively to any new or
- 3 renewed policy of insurance issued or renewed after January 1, 2027.

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