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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO INSURANCE -- MOTOR VEHICLE APPRAISAL PROVISION

Introduced By: Senator Hanna M. Gallo

Date Introduced: June 06, 2026

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-10.4-1 of the General Laws in Chapter 27-10.4 entitled "Motor
2 Vehicle Appraisal Provision" is hereby amended to read as follows:

3 **27-10.4-1. Motor vehicle appraisal provision.**

4 (a) When the insurance company and the insured or claimant shall fail to agree as to the
5 amount of the loss, the insured or claimant has the right to exercise the independent appraisal
6 process outlined in this section.

7 (1) The insured or claimant, and the insurer, shall each select their own disinterested Rhode
8 Island licensed appraiser at their own expense. The insurer's chosen appraiser shall inspect the
9 damaged motor vehicle within four (4) business days after the written demand is received, provided
10 the damaged motor vehicle is on the premises of the repair shop when the request is made.

11 (2) If the insurer's appraiser fails to inspect the damaged motor vehicle within four (4)
12 business days the insurer shall forfeit its right to inspect the damaged vehicle prior to repairs, and
13 negotiations shall be limited to labor and the price of parts and shall not, unless objective evidence
14 to the contrary is provided by the insurer, involve disputes as to the existence of damage or the
15 chosen manner of repair. The time limitations set forth in this subsection may be extended by
16 mutual agreement between the auto body repair shop and the insurer.

17 (b) If the two (2) appraisers are unable to resolve the dispute between the insurance
18 company and the insured or claimant, then the two (2) appraisers shall submit to each other their
19 best proposal to resolve the disagreement.

1 (1) If the proposals differ by fifteen percent (15%) or less, the amount of the loss shall be
2 the midpoint between them.

3 (2) If the proposals differ by more than fifteen percent (15%), then, within three (3)
4 business days, the appraisers shall submit the names of three (3) disinterested Rhode Island licensed
5 appraisers to each other. The appraisers will endeavor to agree on the selection of one of the
6 proposed candidates to act as umpire.

7 (3) In the event the parties are unable to agree on a candidate to act as umpire, the insured
8 or claimant shall choose an independent association for arbitration such as the American
9 Association of Arbitrators or similar association to provide an umpire.

10 (4) The umpire shall render a decision within five (5) days of appointment.

11 (5) The agreement by the parties, or the umpire's decision, will be binding on the parties,
12 except for supplemental allowances for hidden damage, parts price increases, or any other
13 reasonable charges related to the loss that have not already been paid for.

14 (6) If the insured or claimant initiates this appraisal provision and the final award exceeds
15 the insurer's original offer by more than twenty-five percent (25%), the insurer must reimburse all
16 of the insured or claimant's appraisal costs. If the difference is less than twenty-five percent (25%)
17 the parties shall split the cost of the umpire.

18 (7) If the appraiser selected by the insurer, insured, or claimant does not comply with the
19 provisions of § 27-9.1-4 and chapter 10.1 of this title or any other applicable Rhode Island law or
20 regulation, their appraisal shall be deemed null and void and excluded from consideration from the
21 umpire.

22 (8) For the purposes of this section a "disinterested Rhode Island licensed appraiser" means
23 a motor vehicle damage appraiser licensed pursuant to chapter 10.1 of this title who has not
24 performed an appraisal, received payment or compensation of any type from the claimant or
25 insured, or the insurer, in the previous thirty (30) days.

26 (9) For the purposes of this section an "insurer" means any "insurer" as defined in § 27-
27 9.1-2.

28 (10) Any appraiser that does not qualify as a "disinterested Rhode Island licensed
29 appraiser" may be allowed by mutual agreement of both the parties.

30 (11) Neither party shall waive any rights under the applicable insurance policy which are
31 not part of the appraisal process.

32 (12) The insurer shall not refuse to honor a "direction to pay" executed by an insured or
33 claimant, indicating that the insured or claimant wishes to have the insurance company directly pay
34 the insured's chosen appraiser and the umpire appraiser, if applicable under § 27-10.4-1.

1 (c) The insurer shall not engage in any act or practice of intimidation, coercion, threat, or
2 misrepresentation of consumer rights, for or against an insured person, claimant, or entity chosen
3 in this process.

4 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 require an insurance company to directly pay the insured's chosen appraiser
2 and the umpire appraiser, if applicable, upon receipt of a "direction to pay" executed by an insured
3 or claimant.

4 This act would take effect upon passage.

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