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. 2002

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A N   A C T

RELATING TO INSURANCE

Introduced By: Senators Donelan, J Montalbano, and McCaffrey

Date Introduced: January 29, 2002

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1   SECTION 1. Section 9-1-33 of the General Laws in Chapter 9-1 entitled "Causes of

2   Action" is hereby amended to read as follows:

3   **9-1-33. Insurer's bad faith refusal to pay a claim made under any insurance policy --**

4   (a) Notwithstanding any law to the contrary, an insured under any insurance policy as set out in

5   the general laws or otherwise may bring an action against the insurer issuing the policy when it is

6   alleged the insurer wrongfully and in bad faith refused to pay or settle a claim made pursuant to

7   the provisions of the policy, or otherwise wrongfully and in bad faith refused to timely perform

8   its obligations under the contract of insurance or offers to settle a claim based substantially upon a

9   computer program that considers such objective factors as the type of accident, the nature of the

10   injury and the age of the claimant but does not take into account the individual circumstances of

11   the actual claimant. In any action brought pursuant to this section, an insured may also make

12   claim for compensatory damages, punitive damages, and reasonable attorney fees. In all cases in

13   which there has been no trial in the superior court on or before May 20, 1981, the question of

14   whether or not an insurer has acted in bad faith in refusing to settle a claim shall be a question to

15   be determined by the trier of fact.

16   (b) The provisions of this section shall apply to all actions against insurers which have

17   been commenced and are pending in any state or federal court on May 20, 1981.

1   SECTION 2. This act shall take effect upon passage.

EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

A N   A C T

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1   This act would make it an act of bad faith for an insurance carrier to make offers to settle

2   claims based substantially on computer generated software without taking into account the

3   claimant individual's circumstances.

4   This act would take effect upon passage.

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