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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO INSURANCE - MOTOR VEHICLE INSURANCE MANDATORY  
ARBITRATION

Introduced By: Senator Michael J. McCaffrey

Date Introduced: February 13, 2013

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-10.3-1 of the General Laws in Chapter 27-10.3 entitled "Motor  
2 Vehicle Insurance - Mandatory Arbitration Provision" is hereby amended to read as follows:

3 **27-10.3-1. Arbitration provision.** -- (a) Every contract of motor vehicle liability  
4 insurance, issued in the state by an insurance carrier authorized to do business in the state, shall  
5 contain the following provisions:

6 (1) Any person, referred to in this section as "the plaintiff," suffering a loss, allegedly  
7 resulting out of the ownership, maintenance, or use of a motor vehicle by an insured or self-  
8 insured, and allegedly resulting from liability imposed by law for property damage, bodily injury,  
9 or death, may, at his or her election, whenever the claim is for ~~twenty-five thousand dollars~~  
10 ~~(\$25,000)~~ fifty thousand dollars (\$50,000) or less, submit the matter to arbitration pursuant to  
11 chapter 3 of title 10;

12 (2) Selection of arbitrator. - After submission to arbitration by the plaintiff, one arbitrator  
13 shall be selected from the list of qualified arbitrators of the court annexed arbitration program of  
14 the superior court in the same manner as arbitrators are selected in accordance with the rules of  
15 that program. Each party shall share the expenses of arbitration in accordance with the rules of  
16 the court annexed arbitration program;

17 (3) Hearings. - The arbitrator shall call a hearing and provide seven (7) days notice of the  
18 time and place of the hearing to the parties. The hearing shall be informal, and the rules of

1 evidence prevailing in judicial proceedings shall be binding. Any and all documentary evidence  
2 and other data deemed relevant by the arbitrators may be received in evidence. The arbitrators  
3 shall have the power to administer oaths and to require by subpoena the attendance and testimony  
4 of witnesses, and the production of books, records, and other evidence, relative or pertinent to the  
5 issues presented to them for determination. The decision of the arbitrators shall be binding upon  
6 the parties unless:

7 (i) In the event that suit has not been instituted, either party reserves his or her right to a  
8 jury trial by giving notice of this reservation of right to the other party or parties and to the  
9 arbitrators within sixty (60) days of the arbitrators award by certified mail return receipt  
10 requested; or

11 (ii) In the event that suit has been instituted, either party files a request for a jury trial  
12 with the court and with notice to the other party or parties within sixty (60) days of the arbitrator's  
13 award. If the case proceeds to trial subsequent to arbitration, the decision of the arbitrators shall  
14 not be admissible;

15 (4) Statute of limitations. - Notwithstanding the foregoing, a suit shall be instituted in  
16 order to bring the action within any applicable statute of limitations, but the suit will be stayed  
17 until an arbitrators award has been made or the case reached for trial;

18 (5) Agreements to arbitrate. - Uninsured motorist contracts shall be governed by the  
19 provisions of section 10-3-2.

20 (b) Every person who maintains motor vehicle liability insurance shall, when making an  
21 application for a motor vehicle operator's license, or the renewal of that license, or when  
22 registering a motor vehicle, agree in writing on a form provided by the director of the department  
23 of transportation to be bound by the provisions of this chapter.

24 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 - MOTOR VEHICLE INSURANCE MANDATORY  
ARBITRATION

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1           This act would require every contract of motor vehicle liability insurance to contain a  
2 provision authorizing the option for arbitration by insureds and self-insureds for claims for losses  
3 of fifty thousand dollars (\$50,000) or less, resulting from the ownership, maintenance, or use of  
4 motor vehicle by the insured or self-insured individual.

5           This act would take effect upon passage.

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