

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

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A N A C T

RELATING TO INSURANCE - MOTOR VEHICLE INSURANCE - MANDATORY
ARBITRATION PROVISION

Introduced By: Senator Mark P. McKenney

Date Introduced: February 27, 2020

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.**

4 (a) Every contract of motor vehicle liability insurance, issued in the state by an insurance
5 carrier authorized to do business in the state, shall 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-insured,
8 and allegedly resulting from liability imposed by law for property damage, bodily injury, or death,
9 may, at his or her election, whenever the claim is for fifty thousand dollars (\$50,000) or less, submit
10 the matter to arbitration pursuant to chapter 3 of title 10;

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

16 (3) Hearings. The arbitrator shall call a hearing and provide seven (7) days notice of the
17 time and place of the hearing to the parties. The hearing shall be informal, and the rules of evidence
18 prevailing in judicial proceedings shall be binding. Any and all documentary evidence and other

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

6 (i) In the event that suit has not been instituted, either party reserves his or her right to a
7 jury trial by giving notice of this reservation of right to the other party or parties and to the
8 arbitrators within sixty (60) days of the ~~arbitrators~~ arbitrator's award by email, delivery receipt
9 requested. In the event a party does not have email, reservation of rights shall be by certified mail,
10 return receipt requested; or

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

15 (4) Statute of limitations. Notwithstanding the foregoing, a suit shall be instituted in order
16 to bring the action within any applicable statute of limitations, but the suit will be stayed until an
17 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 § 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 registering
22 a motor vehicle, agree in writing on a form provided by the director of the department of
23 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

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1 This act would allow a party subject to the mandatory arbitration provisions of the motor
2 vehicle insurance law to provide notice of his or her reservation of rights to a jury trial by email,
3 delivery receipt requested.

4 This act would take effect upon passage.

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