

2023 -- H 5831

LC001998

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO INSURANCE -- LIABILITY INSURANCE

Introduced By: Representatives Potter, Slater, O'Brien, Casey, and Voas

Date Introduced: March 01, 2023

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-7-6 of the General Laws in Chapter 27-7 entitled "Liability
2 Insurance" is hereby amended to read as follows:

3 **27-7-6. Rental vehicle coverage.**

4 (a) For liability assumed under a written contract, coverage shall be provided under the
5 property damage liability section of an insured's private passenger automobile insurance policy.
6 Property damage coverage shall extend to a rented motor vehicle, under ten thousand pounds
7 (10,000 lbs.), without regard to negligence for a period not to exceed sixty (60) consecutive days.

8 (b) Coverage pursuant to subsection (a) shall apply to all collision and comprehensive type
9 losses.

10 (c) Coverage shall be provided for loss of use of the rental motor vehicle; provided, that a
11 claim for loss of use of a rental vehicle shall be limited to the reasonable time to repair or replace
12 the rental vehicle, and shall be no less than the daily rental rate set forth in the rental agreement. To
13 establish loss of use, the rental car company shall demonstrate that the rental vehicle sustained
14 damage, regardless of fault, requires repair, and will be out of service for the period of time
15 determined by a Rhode Island licensed auto appraiser or adjuster. In the case of a total loss, loss of
16 use payments shall be made up until the time the vehicle owner receives the property damage
17 payment for the total loss. Coverage for loss of use of a rented motor vehicle shall be provided
18 regardless of fleet utilization.

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

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

1 This act would provide that liability insurance coverage would be provided for loss of the
2 use of a rental motor vehicle, with limitations.

3 This act would take effect upon passage.

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