

2025 -- H 5104 SUBSTITUTE A

LC000312/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO INSURANCE -- CASUALTY INSURANCE RATING

Introduced By: Representatives Corvese, O'Brien, Slater, Kislak, Hull, Phillips,
DeSimone, J. Brien, Biah, and Cruz
Date Introduced: January 22, 2025
Referred To: House Corporations

It is enacted by the General Assembly as follows:

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- SECTION 1. Section 27-9-4 of the General Laws in Chapter 27-9 entitled "Casualty Insurance Rating" is hereby amended to read as follows:
- 27-9-4. Considerations in making of rates — Cancellation of policy.**
- (a) All rates shall be made in accordance with the following provisions:
- (1)(i) Due consideration shall be given to past and prospective loss experience within and outside this state, to catastrophe hazards, if any, to a reasonable margin for underwriting profit and contingencies, to dividends, savings, or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members, or subscribers, to past and prospective expenses both countrywide and those specially applicable to this state, and to all other relevant factors within and outside this state; provided, that no consideration shall be given to:
- (A) Any loss or incident involving a bus driver, while in the course of the bus driver's employment for the Rhode Island public transit authority or private or municipal school bus companies, in establishing or maintaining that driver's rate respecting the operation of a personal motor vehicle or vehicles;
- (B) Any loss or incident involving a law enforcement officer, while in the course of the law enforcement officer's employment for the state, city, town police departments, or federal law enforcement agency, in establishing or maintaining that driver's rate respecting the operation of a personal motor vehicle or vehicles; and
- (C) Any loss or incident involving a commercial vehicle driver, while in the course of the

1 commercial vehicle driver's employment, in establishing or maintaining that driver's rate
2 respecting the operation of a personal motor vehicle(s);

3 (ii) It shall be the responsibility of a commercial vehicle driver to provide the commercial
4 vehicle driver's insurance company with proof that the loss or incident took place in the course of
5 employment while operating a commercial vehicle. For the purposes of this section, a "commercial
6 vehicle" shall be a motor vehicle with a gross weight in excess of ten thousand pounds (10,000 lbs.)
7 or a motor vehicle used for public livery;

8 (2) The systems of expense provisions included in the rates for use by any insurer or group
9 of insurers may differ from those of other insurers or groups of insurers to reflect the requirements
10 of the operating methods of any insurer or group with respect to any kind of insurance, or with
11 respect to any subdivision or combination of insurance for which subdivision or combination
12 separate expense provisions are applicable;

13 (3) Risks may be grouped by classifications for the establishment of rates and minimum
14 premiums;

15 (4) Rates shall not be excessive, inadequate, or unfairly discriminatory;

16 (5) For any policy written, delivered, or renewed on or after January 1, 2025, in establishing
17 or maintaining an insured's rate or classification respecting the operation of a personal motor
18 vehicle, widowed persons shall not be treated differently than persons in a marriage; and

19 (6) In establishing or maintaining an insured's rate or classification respecting the operation
20 of a personal motor vehicle, any insured sixty-five (65) years of age or older, who meets the criteria
21 set forth in this section and has not had any chargeable accidents or moving violations within three
22 (3) years preceding the establishment of the rate of insurance or classification, shall not be penalized
23 solely by reason of his or her age.

24 (b) No insurance company shall fail to renew a private passenger automobile policy
25 because of a loss occurrence only, unless a chargeable loss occurrence of three thousand dollars
26 (\$3,000) or more than two (2) nonchargeable loss occurrences, involving the insured, have taken
27 place within the annual policy year.

28 (c)(1) No insurance company shall fail to renew a private passenger automobile policy
29 solely because the insured has attained the age of sixty-five (65) years or older;

30 (2) Whenever the commissioner of insurance shall have reason to believe that any
31 insurance company has refused to renew a private passenger automobile policy solely because the
32 applicant has reached the age of sixty-five (65) years or older, the commissioner shall notify the
33 company that it may be in violation of this section and in his or her discretion he or she may require
34 a hearing to determine whether or not the company has actually been engaged in the practice stated

1 in this subsection. Any hearing held under this section shall in all respects comply with the hearing
2 procedure provided in the Administrative Procedures Act, chapter 35 of title 42;

3 (3) If after the hearing the commissioner shall determine that the company has engaged in
4 the practice of systematically failing to renew private passenger automobile policies because of the
5 advanced age of the insured, the commissioner shall reduce their findings to writing and shall issue
6 and cause to be served upon the company an order to cease and desist from engaging in those
7 practices. After the issuance of the cease and desist order, if the commissioner finds that the
8 company has continued to engage in those practices, the commissioner shall impose upon the
9 company a fine not to exceed the amount of one thousand dollars (\$1,000) for each separate
10 violation.

11 (4) Any company aggrieved by any order or decision of the commissioner of insurance
12 may appeal the order and decision to the superior court of Providence in accordance with the
13 Administrative Procedures Act, chapter 35 of title 42.

14 (d) No insurance group, carrier, or company in establishing any premium surcharge or
15 penalty relative to a specific motor vehicle policy, shall consider any accident or any claim where
16 any insured covered by that policy is fifty percent (50%) or less at fault.

17 (e) No insurance group, carrier, or company shall assess any premium surcharge against
18 any insured covered by a motor vehicle policy where a property damage claim payment is less than
19 three thousand dollars (\$3,000).

20 (f) No insurance group, carrier, or company shall refuse to issue motor vehicle liability
21 insurance, impose a surcharge, or otherwise increase the rate for a motor vehicle policy solely
22 because the applicant is a volunteer driver. Volunteer driver is defined as a person who provides
23 services without compensation to a nonprofit agency or charitable organization.

24 (g) An insurer issuing motor vehicle liability insurance which utilizes the zip code of where
25 a vehicle is garaged when calculating their policy premium may do so provided the calculation of
26 the zip code is segmented by the municipality where the vehicle is garaged. The provisions of this
27 subsection shall be effective for policies issued or renewed on or after July 1, 2026.

28 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 permit a motor vehicle liability insurance carrier to consider the zip code
2 of where a motor vehicle is garaged for purposes of calculating their policy premium so long as the
3 calculation of the zip code is segmented by the municipality where the vehicle is garaged. This act
4 would be effective upon policies issued on after July 1, 2026.

5 This act would take effect upon passage.

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