

2025 -- H 6054 AS AMENDED

LC002260

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO INSURANCE -- MOTOR VEHICLE APPRAISAL PROVISION

Introduced By: Representatives Baginski, Kazarian, Corvese, and Casey

Date Introduced: March 12, 2025

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 27-10.4-1 of the General Laws in Chapter 27-10.4 entitled "Motor  
2   Vehicle Appraisal Provision" is hereby amended to read as follows:

3           **27-10.4-1. Motor vehicle appraisal provision.**

4           (a) When the insurance company and the insured or ~~claimants fail to agree on the amount~~  
5 ~~of a loss, either has the right to exercise the independent appraisal process outlined in this section.~~  
6 ~~Agreements by the parties shall be binding. Each shall select a disinterested Rhode Island licensed~~  
7 ~~appraiser. The insurer's chosen appraiser shall inspect the damaged motor vehicle within three (3)~~  
8 ~~business days after the written demand is received; provided, the damaged motor vehicle is on the~~  
9 ~~premises of the repair shop when the request is made. If the insurer's appraiser fails to inspect the~~  
10 ~~damaged motor vehicle within the three (3) business days the insurer shall forfeit its right to inspect~~  
11 ~~the damaged vehicle prior to repairs, and negotiations shall be limited to labor and the price of parts~~  
12 ~~and shall not, unless objective evidence to the contrary is provided by the insurer, involve disputes~~  
13 ~~as to the existence of damage or the chosen manner of repair. The time limitations set forth in this~~  
14 ~~subsection may be extended by mutual agreement between the auto body repair shop and the~~  
15 ~~insurer.~~

16           (b) ~~If the two (2) appraisers fail to agree on the amount of the loss, the insurer and the~~  
17 ~~insured or claimant shall select an impartial Rhode Island licensed appraiser as an umpire appraiser.~~  
18 ~~If the two (2) appraisers are unable to agree upon an umpire within three (3) business days, the~~  
19 ~~party making the initial demand for the loss to be set by appraisal shall select an umpire. The~~

1 ~~appraisers shall then submit their differences to the umpire appraiser. The umpire appraiser shall~~  
2 ~~render a decision within three (3) business days, and written agreement by any two (2) of the three~~  
3 ~~(3) shall set the amount of the loss. The time limitations set forth in this subsection may be extended~~  
4 ~~by mutual agreement between the auto body repair shop and the insurer.~~

5 ~~(c) The insurer shall not engage in any act or practice of intimidation, coercion, threat, or~~  
6 ~~misrepresentation of consumer rights, for or against an insured person, claimant, or entity chosen~~  
7 ~~in this process.~~ claimant shall fail to agree as to the amount of the loss, the insured or claimant has  
8 the right to exercise the independent appraisal process outlined in this section.

9 (1) The insured or claimant, and the insurer, shall each select their own disinterested Rhode  
10 Island licensed appraiser at their own expense. The insurer's chosen appraiser shall inspect the  
11 damaged motor vehicle within four (4) business days after the written demand is received, provided  
12 the damaged motor vehicle is on the premises of the repair shop when the request is made.

13 (2) If the insurer's appraiser fails to inspect the damaged motor vehicle within four (4)  
14 business days the insurer shall forfeit its right to inspect the damaged vehicle prior to repairs, and  
15 negotiations shall be limited to labor and the price of parts and shall not, unless objective evidence  
16 to the contrary is provided by the insurer, involve disputes as to the existence of damage or the  
17 chosen manner of repair. The time limitations set forth in this subsection may be extended by  
18 mutual agreement between the auto body repair shop and the insurer.

19 (b) If the two (2) appraisers are unable to resolve the dispute between the insurance  
20 company and the insured or claimant, then the two (2) appraisers shall submit to each other their  
21 best proposal to resolve the disagreement.

22 (1) If the proposals differ by fifteen percent (15%) or less, the amount of the loss shall be  
23 the midpoint between them.

24 (2) If the proposals differ by more than fifteen percent (15%), then, within three (3)  
25 business days, the appraisers shall submit the names of three (3) disinterested Rhode Island licensed  
26 appraisers to each other. The appraisers will endeavor to agree on the selection of one of the  
27 proposed candidates to act as umpire.

28 (3) In the event the parties are unable to agree on a candidate to act as umpire, the insured  
29 or claimant shall choose an independent association for arbitration such as the American  
30 Association of Arbitrators or similar association to provide an umpire.

31 (4) The umpire shall render a decision within five (5) days of appointment.

32 (5) The agreement by the parties, or the umpire's decision, will be binding on the parties,  
33 except for supplemental allowances for hidden damage, parts price increases, or any other  
34 reasonable charges related to the loss that have not already been paid for.

1           (6) If the insured or claimant initiates this appraisal provision and the final award exceeds  
2           the insurer's original offer by more than twenty-five percent (25%), the insurer must reimburse all  
3           of the insured or claimant's appraisal costs. If the difference is less than twenty-five percent (25%)  
4           the parties shall split the cost of the umpire.

5           (7) If the appraiser selected by the insurer, insured or claimant does not comply with the  
6           provisions of § 27-9.1-4 and chapter 10.1 of title 27 or any other applicable Rhode Island law or  
7           regulation, their appraisal shall be deemed null and void and excluded from consideration from the  
8           umpire.

9           (8) For the purposes of this section a "disinterested Rhode Island licensed appraiser" means  
10          a motor vehicle damage appraiser licensed pursuant to chapter 10.1 of title 27 who has not  
11          performed an appraisal, received payment or compensation of any type from the claimant or  
12          insured, or the insurer, in the previous thirty (30) days.

13          (9) For the purposes of this section an "insurer" means any "insurer" as defined in § 27-  
14          9.1-2.

15          (10) Any appraiser that does not qualify as a "disinterested Rhode Island licensed  
16          appraiser" may be allowed by mutual agreement of both the parties.

17          (11) Neither party shall waive any rights under the applicable insurance policy which are  
18          not part of the appraisal process.

19          (c) The insurer shall not engage in any act or practice of intimidation, coercion, threat, or  
20          misrepresentation of consumer rights, for or against an insured person, claimant, or entity chosen  
21          in this process.

22               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 APPRAISAL PROVISION

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1           This act would change the process by which a dispute between the insured or claimant and  
2   the insurance company responsible for property damage is resolved. It requires that the umpire  
3   appraisers shall be disinterested and chosen by agreement or by exchanging lists of five (5) names,  
4   and if no agreement is reached, whoever submitted a list first will select the appraiser. The cost of  
5   the appraisal shall be shared equally.

6           This act would take effect upon passage.

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