

LC004091

IN GENERAL ASSEMBLY

RELATING TO INSURANCE -- HOMEOWNER CASUALTY INSURANCE BILL OF RIGHTS

Referred To: House Corporations

1 SECTION 1. Title 27 of the General Laws entitled "INSURANCE" is hereby amended by
2 adding thereto the following chapter:

HOMEOWNER CASUALTY INSURANCE BILL OF RIGHTS

6 This chapter shall be known and may be cited as the "Homeowner Casualty Insurance Bill
7 of Rights".

9 It is the purpose of this chapter to summarize, in simple, nontechnical terms, existing Rhode
10 Island law regarding the rights of a personal residential property insurance policyholder who files
11 a claim of loss.

An insurer, issuing a homeowner's residential property casualty insurance policy in this state, shall provide a homeowner casualty insurance bill of rights notice to a policyholder within fourteen (14) days after receiving an initial communication with respect to a claim, unless the claim follows an event that is the subject of a declaration of a state of emergency by the governor.

18 (a) The homeowner casualty insurance bill of rights is specific to the claims process and

1 does not represent all of a policyholder's rights under Rhode Island law regarding the insurance
2 policy;

3 (b) The homeowner casualty insurance bill of rights does not create a civil cause of action
4 by any individual policyholder or class of policyholders against an insurer or insurers; and

5 (c) The homeowner casualty insurance bill of rights does not enlarge, modify, or
6 contravene statutory requirements, and does not prohibit an insurer from exercising its right to
7 repair damaged property in compliance with the terms of an applicable policy.

8 **27-8.4-5. Statutory form of the homeowner casualty insurance bill of rights.**

9 The homeowner casualty insurance bill of rights shall state the following:

10 HOMEOWNER CASUALTY INSURANCE BILL OF RIGHTS

11 This Bill of Rights is specific to the claims process and does not represent all of your rights
12 under Rhode Island law regarding your policy. There are also exceptions to the stated timelines
13 when conditions are beyond your insurance company's control. This document does not create a
14 civil cause of action by an individual policyholder, or a class of policyholders, against an insurer
15 or insurers and does not prohibit an insurer from exercising its right to repair damaged property in
16 compliance with the terms of an applicable policy.

17 YOU HAVE THE RIGHT TO:

18 1. Receive from your insurance company an acknowledgment of your reported claim
19 within fourteen (14) days after the time you communicated the claim.

20 2. Upon written request, receive from your insurance company within twenty (20) days
21 after you have submitted a complete proof-of-loss statement to your insurance company
22 confirmation that your claim is being investigated.

23 3. Within thirty (30) days, receive full settlement payment for your claim or payment of
24 the undisputed portion of your claim, or your insurance company's denial of your claim.

25 4. Contact the Rhode Island department of business regulation, insurance division, with
26 any insurance claim or questions pertaining to the handling of your claim. You can seek assistance
27 by phone at (401) 462-9520 or online at the Rhode Island department of business regulation,
28 insurance division website at <https://dbr.ri.gov/insurance>.

29 YOU ARE ADVISED TO:

30 1. Contact your insurance company before entering into any contract for repairs to confirm
31 any managed repair policy provisions or optional preferred vendors.

32 2. Make and document emergency repairs that are necessary to prevent further damage.
33 Keep the damaged property, if feasible, keep all receipts, and take photographs of damage before
34 and after any repairs.

1 3. Carefully read any contract that requires you to pay out-of-pocket expenses or a fee that
2 is based on a percentage of the insurance proceeds that you will receive for repairing or replacing
3 your property.

4 4. Confirm that the contractor you choose is licensed to do business in Rhode Island. You
5 can verify a contractor's license and check to see if there are any complaints against the contractor
6 by searching online through the Rhode Island contractors' registration and licensing board at their
7 website, <https://crb.ri.gov/search/contractor-search>. You should also ask the contractor for
8 references from previous work.

9 5. Require all contractors to provide proof of insurance before beginning repairs.

10 6. Take precautions if the damage requires you to leave your home, including securing your
11 property and turning off your gas, water, and electricity, contacting your insurance company and
12 providing a phone number where you can be reached.

13 **27-8.4-6. Penalty.**

14 The failure of an insurer to properly deliver the homeowner casualty insurance bill of rights
15 may result in a penalty to be determined by the director of the department of business regulation,
16 insurance division but is not admissible as evidence in a civil action against an insurer.

17 **27-8.4-7. Severability.**

18 If any clause, sentence, paragraph, section, or part of this chapter shall be adjudged by any
19 court of competent jurisdiction to be unconstitutional or otherwise invalid, that judgment shall not
20 affect, impair, or invalidate the remainder of this chapter but shall be confined in its operation to
21 the clause, sentence, paragraph, section, or part directly involved in the controversy in which that
22 judgment shall have been rendered.

23 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 -- HOMEOWNER CASUALTY INSURANCE BILL OF
RIGHTS

1 This act would create a homeowner casualty bill of rights that would summarize, in simple,
2 nontechnical terms, Rhode Island law regarding the rights of a personal residential property
3 insurance policyholder who files a claim of loss. The act would require the insurance company to
4 utilize specific language in acknowledging the receipt of a reported claim within fourteen (14) days
5 but would not impact any cause of action by a policyholder.

6 This act would take effect upon passage.

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