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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO INSURANCE -- LIABILITY INSURANCE -- UNINSURED MOTORIST
COVERAGE

Introduced By: Senators Tikoian, and Ciccone

Date Introduced: February 13, 2026

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-7-2.1 of the General Laws in Chapter 27-7 entitled "Liability
2 Insurance" is hereby amended to read as follows:

3 **27-7-2.1. Uninsured motorist coverage.**

4 (a) No policy insuring against loss resulting from liability imposed by law for property
5 damage caused by collision, bodily injury, or death suffered by any person arising out of the
6 ownership, maintenance, or use of a motor vehicle shall be delivered or issued for delivery in this
7 state with respect to any motor vehicle registered or principally garaged in this state unless coverage
8 is provided in or supplemental to the policy, for bodily injury or death in limits set forth in each
9 policy, but in no instance less than the limits set forth in § 31-47-2(13)(i)(A) under provisions
10 approved by the insurance commissioner, for the protection of persons insured under the policy
11 who are legally entitled to recover damages from owners or operators of uninsured [or underinsured](#)
12 motor vehicles and hit-and-run motor vehicles because of property damage, bodily injury, sickness,
13 or disease, including death, resulting from that injury, sickness, or disease. The insurer shall provide
14 uninsured motorist coverage [and underinsured motorist bodily injury coverage](#) in an amount equal
15 to the insured's bodily injury liability limits. The named insured shall have the option of selecting
16 a limit in writing less than the bodily injury liability coverage, but in no event less than the limits
17 set forth in § 31-47-2(13)(i)(A), unless the named insured is purchasing only the minimum coverage
18 required by compulsory insurance provisions of the general laws, in which case the limit can be

1 reduced to zero, but only after signing an advisory notice approved by the director of business
2 regulation concerning the hazard of uninsured and underinsured motorists. That coverage shall also
3 apply in the case of a responsible party whose liability insurance carrier was insolvent at the time
4 of the accident or became insolvent subsequent to the accident.

5 (b) Notwithstanding the provisions of subsection (a), the named insured shall have the
6 option to reject, in writing, uninsured motorist coverage for loss resulting from damage to property.
7 If the named insured has collision coverage for property damage to his or her vehicle, then no
8 coverage for uninsured motorist property damage shall be required unless the insured at his or her
9 option chooses to purchase that coverage.

10 (c) An insurer shall offer for purchase underinsured motorist property damage coverage for
11 private passenger automobiles. Underinsured motorist property damage coverage may be offered
12 together with uninsured motorist property damage coverage. No insured shall be obligated to
13 purchase underinsured motorist property damage coverage, but any insured without collision
14 coverage shall have the option to reject underinsured motorist property damage coverage in writing.

15 ~~(d)~~ For the purposes of this section:

16 (1) "Policy insuring against loss" means a policy that provides primary coverage for the
17 insured motor vehicle; ~~and~~

18 (2) "Property damage" means injury to or destruction of the insured vehicle, including its
19 loss of use and any property, excluding business property, owned by the insured while contained
20 in the insured vehicle;

21 (3) "Underinsured motorist bodily injury" provides coverage when the owner or operator
22 of a motor vehicle who carries automobile liability insurance with coverage in an amount less than
23 the limits or damages that persons insured pursuant to this section are legally entitled to recover
24 because of bodily injury, sickness, or disease, including death, resulting from that injury, sickness,
25 or disease; and

26 (4) "Underinsured motorist property damage" provides coverage when the owner or
27 operator of a motor vehicle who carries automobile liability insurance with coverage in an amount
28 less than the limits or damages that persons insured pursuant to this section are legally entitled to
29 recover because of property damage.

30 ~~(d)~~(e) After the selection of limits by the named insured or the exercise of the right to reject
31 that portion of the coverage that applies to property damage, the insurer or any affiliated insurer
32 shall be required to notify the policyholder, in any renewal, reinstatement, substitute, amended,
33 altered, modified, transfer, or replacement policy, as to the availability of that coverage or optional
34 limits. The insured may, subject to the limitations expressed in this chapter, make a written request

1 for higher limits, newly added coverage, or coverage more extensive than that provided on a prior
2 policy.

3 ~~(e)~~(f) Property damage caused by collision shall be subject to a two hundred dollar (\$200)
4 deductible per claim unless otherwise agreed. Any claim submitted under the property damage
5 portion of this section must include the name, address, and other means of identification to establish
6 that the at-fault operator is without insurance. The rate for this coverage will be established as a
7 percentage of the existing base collision insurance rate as utilized by the majority of companies, to
8 be determined by the insurance commissioner.

9 ~~(f)~~(g) Whenever, through subrogation, an insurance company or its insurance producer
10 collects a casualty loss from a third party, that company or insurance producer shall, from the funds
11 collected, first pay to the insured the deductible portion of the casualty loss less the prorated share
12 of subrogation expense and only after this retain any funds in excess of the deductible portion of
13 the recovery.

14 ~~(g) For the purposes of this section “uninsured motorist” shall include an underinsured~~
15 ~~motorist. An “underinsured motorist” is the owner or operator of a motor vehicle who carries~~
16 ~~automobile liability insurance with coverage in an amount less than the limits or damages that~~
17 ~~persons insured pursuant to this section are legally entitled to recover because of bodily injury,~~
18 ~~sickness, or disease, including death, resulting from that injury, sickness, or disease.~~

19 (h) A person entitled to recover damages pursuant to this section shall not be required to
20 make a claim against or bring an action against the uninsured or underinsured tortfeasor as a
21 prerequisite to recover damages from the insurer providing coverage pursuant to this section. In the
22 event that the person entitled to recover against an underinsured motorist recovers from the insurer
23 providing coverage pursuant to this section, that insurer shall be entitled to subrogation rights
24 against the underinsured motorist and his or her insurance carrier. Release of the tortfeasor with the
25 consent of the company providing the underinsured coverage shall not extinguish or bar the claim
26 of the insured against the underinsurance carrier regardless of whether the claim has been
27 liquidated.

28 (i) Whenever an insured has paid two (2) or more separate premiums for uninsured
29 motorists’ coverage in a single policy of insurance or under several policies with the same insurance
30 company, the insured shall be permitted to collect up to the aggregate amount of coverage for all
31 of the vehicles insured, regardless of any language in the policy to the contrary.

32 SECTION 2. This act shall take effect on April 1, 2027.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO INSURANCE -- LIABILITY INSURANCE -- UNINSURED MOTORIST
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- 1 This act would add property damage to statutory underinsured motor coverage, rather than
- 2 just uninsured motorist coverage, as it is presently.
- 3 This act would take effect on April 1, 2027.

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