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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO INSURANCE -- MOTOR VEHICLE APPRAISAL

Introduced By: Senators Gallo, Tikoian, Lawson, LaMountain, DiPalma, and Sosnowski

Date Introduced: March 27, 2025

Referred To: Senate Judiciary

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~~ the insured or claimant has the right to exercise the independent appraisal process
6 outlined in this section. Agreements by the parties shall be binding. Each shall select a disinterested
7 Rhode Island licensed appraiser. The insurer's chosen appraiser shall inspect the damaged motor
8 vehicle within three (3) business days after the written demand is received; provided, the damaged
9 motor vehicle is on the premises of the repair shop when the request is made. If the insurer's
10 appraiser fails to inspect the damaged motor vehicle within the three (3) business days the insurer
11 shall forfeit its right to inspect the damaged vehicle prior to repairs, and negotiations shall be limited
12 to labor and the price of parts and shall not, unless objective evidence to the contrary is provided
13 by the insurer, involve disputes as to the existence of damage or the chosen manner of repair. The
14 time limitations set forth in this subsection may be extended by mutual agreement between the auto
15 body repair shop and the 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~~ a disinterested Rhode Island licensed appraiser as an
18 umpire appraiser. If the two (2) appraisers are unable to agree upon an umpire within three (3)
19 business days, ~~the party making the initial demand for the loss to be set by appraisal shall select an~~

1 ~~umpire~~ each shall submit to the other a list of five (5) other disinterested Rhode Island licensed
2 appraisers that can serve as umpire and each shall choose one appraiser from the opposing list. If
3 an umpire is not agreed upon from the two (2) remaining names chosen from the two (2) sides, the
4 appraiser that submitted their list first to the opposing side shall select an umpire from the remaining
5 two (2) licensed appraisers. The appraisers shall then submit their differences to the umpire
6 appraiser. The umpire appraiser shall render a decision within three (3) business days, and written
7 agreement by any two (2) of the three (3) shall set the amount of the loss. The time limitations set
8 forth in this subsection may be extended by mutual agreement between the auto body repair shop
9 and the insurer. The cost of the umpire appraiser shall be shared equally between the two (2) sides.

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

13 (d) For the purposes of this section, a "disinterested Rhode Island licensed appraiser" means
14 a Rhode Island licensed appraiser who has not received payment or compensation of any type from
15 the insurer or the consumer in the previous sixty (60) days.

16 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 -- MOTOR VEHICLE APPRAISAL

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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