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LC00019/SUB A
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2004

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A N A C T

RELATING TO LIABILITY INSURANCE -- RENTAL VEHICLE COVERAGE

Introduced By: Senators Bates, and Walaska

Date Introduced: January 14, 2004

Referred To: Senate Financial, Technology, Regulatory

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 27-7 of the General Laws entitled "Liability Insurance" is hereby
2 amended by adding thereto the following section:

3 **27-7-6. Rental vehicle coverage.** -- For liability assumed under a written contract,
4 coverage shall be provided under the property damage liability section of an insured's private
5 passenger automobile insurance policy. Property damage coverage shall extend to a rented motor
6 vehicle, under ten thousand (10,000) lbs, without regard to negligence for a period not to exceed
7 sixty (60) consecutive days.

8 SECTION 2. Section 27-8-1 of the General Laws in Chapter 27-8 entitled "Casualty
9 Insurance Generally" is hereby amended to read as follows:

10 **27-8-1. Types of insurance authorized for domestic fire and marine insurance**
11 **companies.** -- Every insurance company incorporated by or under the laws of this state, and now
12 or after this authorized to transact the business of fire or marine insurance, or both, may, in
13 addition to the business that it is now authorized by the provisions of its act of incorporation to
14 do, make insurance:

15 (1) On dwelling houses, stores, and all kinds of buildings, and on household furniture
16 and other property, against direct and indirect loss or damage including loss of use or occupancy
17 by fire, heat, smoke and smudge, lightning, windstorm, tornado, cyclone, earthquake, volcanic
18 eruption, hail, frost or snow, weather or climatic conditions including an excess or deficiency of
19 moisture, flood, rain, or drought, the rising of the waters of the ocean or its tributaries,

1 bombardment, invasion, insurrection, riot, civil war or commotion, military or usurped power,
2 vandalism, malicious mischief, sabotage, sit down and other strikes, acts of destruction by order
3 of any military or civil authority done to prevent the spread of a conflagration, epidemic or
4 catastrophe, or short circuits of electrical current or static electricity or any other electrical
5 disturbance, and by explosion, whether fire ensues or not, except risks pertaining to employer's
6 liability and worker's compensation; also against the legal liability of the insured, and against the
7 loss, damage, or expense, incident to a claim of that liability, arising out of the loss or destruction
8 of, or damage to, the property of any other person; also against loss or damage caused by
9 burglary, robbery, theft, pillage, looting, larceny, or any attempt at this, whether caused or arising
10 at the time of or in connection with fire, windstorm, or any other casualty insured against or
11 otherwise;

12 (2) Against loss or damage, by water or other fluid or substance, to goods or premises of
13 any kind arising from the breakage or leakage of sprinklers, pumps, or other apparatus erected for
14 extinguishing fires, or of other conduits or containers, or by water entering through leaks or
15 openings in buildings, and from the breakage or leakage of water pipes, and against accidental
16 injury to sprinklers, pumps, apparatus, conduits, containers, or water pipes, and against the legal
17 liability of the insured, and against the loss, damage, or expense, incident to a claim of that
18 liability, arising out of the loss or destruction of, or damage to, the property of any other person;

19 (3) On vessels, boats, craft, aircraft, cars, automobiles and vehicles of every kind,
20 cargoes, goods, merchandise, freights, and other property against loss or damage by all or any of
21 the risks of lake, river, canal, and inland navigation and transportation and all goods, freights,
22 cargoes, merchandise, effects, disbursements, profits, moneys, bullion, precious stones, securities,
23 chose in action, evidences of debt, valuable papers, bottomry and respondentia interests, and all
24 other kinds of property and interests in them, in respect to, appertaining to, or in connection with
25 any and all risks or perils of navigation, transit, or transportation including war risks, on or under
26 any seas or other waters, on land or in the air, or while being assembled, packed, crated, baled,
27 compressed, or similarly prepared for shipment or while awaiting shipment, or during any delays,
28 storage, transshipment, or reshipment, including marine builder's risks and all personal property
29 floater risks;

30 (4) On persons or to property in connection with or appertaining to a marine, inland
31 marine, transit, or transportation insurance, including the liability for the loss of or damage to
32 either, arising out of or in connection with the construction, repair, operation, maintenance, or use
33 of the subject matter of that insurance, but not including life insurance; but, except as specified in
34 this section, this shall not mean insurances against loss by reason of bodily injury to the person;

1 (5) On precious stones, jewels, jewelry, gold, silver, and other precious metals, whether
2 used in business or trade or otherwise and whether those stones and metals are in the course of
3 transportation or otherwise;

4 (6) On automobiles and other vehicles whether operated on rails or otherwise, airplanes,
5 seaplanes, dirigibles, or other aircraft, and elevators and other conveyors, and the breakage of
6 glass in them, whether stationary or being operated under their own power, which shall include
7 all or any part of the hazards of fire, explosion, transportation, collision, and the loss by legal
8 liability for damage to property resulting from the maintenance and use of automobiles and other
9 vehicles, airplanes, seaplanes, dirigibles, and other aircraft, and elevators and other conveyors;

10 (7) On or against loss or damage to property resulting from the maintenance and use of
11 automobiles and other vehicles whether operated on rails or otherwise, vessels, elevators and
12 other conveyors, and aircraft, and on or against loss by burglary, larceny or theft, vandalism, or
13 malicious mischief, or by the wrongful conversion, disposal, or concealment of automobiles, and
14 other vehicles, whether held under conditional sales contracts or subject to chattel mortgages, or
15 any one or more of those hazards, but shall not include insurance against loss by reason of bodily
16 injury to the person; and

17 (8) Against loss of or damage to any property resulting from any cause which is a proper
18 subject of insurance; provided, that before any company shall assume risks other than those
19 enumerated in this section it shall first obtain the approval of the insurance commissioner; ~~and.~~

20 ~~(9) For liability coverage assumed under a written contract under the property damage~~
21 ~~section of an insured's own private passenger automobile insurance policy, which property~~
22 ~~damage coverage shall extend to a rented motor vehicle without regard to negligence for a period~~
23 ~~not to exceed forty five (45) consecutive days.~~

24 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO LIABILITY INSURANCE -- RENTAL VEHICLE COVERAGE

- 1 This act would provide that an insured's private passenger automobile insurance policy
- 2 would cover property damage to a rented motor vehicle.
- 3 This act would take effect upon passage.

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