

2014 -- H 8009

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO INSURANCE - CASUALTY INSURANCE GENERALLY

Introduced By: Representatives Trillo, Costa, and Giarrusso

Date Introduced: April 03, 2014

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 27-8-7 of the General Laws in Chapter 27-8 entitled "Casualty  
2 Insurance Generally" is hereby amended to read as follows:  
3           **27-8-7. Terms to be stated in policy -- Rebates prohibited.** – (a) No insurance  
4 corporation authorized to do any insurance business within this state, or any officer, insurance  
5 producer, or their representative, shall make any contract for insurance, on property or risks  
6 located within this state, or against any liability, casualty, accident, or hazard that may arise or  
7 occur in this state, or any agreement as to that contract, other than as plainly expressed in the  
8 policy issued or to be issued; nor shall any corporation, or officer, insurance producer, or their  
9 representative, directly or indirectly, in any manner, pay or allow or offer to pay or allow to the  
10 insured named in the policy or to any employee of the insured as an inducement to the insurance,  
11 or after the insurance has been effected, any rebate from the premium which is specified in the  
12 policy or any special favor or advantage in the dividends or other benefit to accrue on the policy;  
13 or any valuable consideration or inducement, not specified in the policy or contract of insurance,  
14 or give, sell, or purchase, as an inducement to the insurance, or in connection with it, any stock,  
15 bonds, or other securities of any insurance or other corporation or association, or any dividends or  
16 profits accrued on the stock, bonds, or securities, or anything of value, not specified in the policy;  
17 nor shall any insurance producer or representative, or any other person, directly or indirectly,  
18 either by sharing commissions or in any manner, pay or allow or offer to pay or allow to the  
19 insured named in the policy, or to any employee of the insured, as an inducement to the

1 insurance, or after the insurance has been effected, any rebate from the premium which is  
2 specified in the policy.

3 (b) Nothing in this chapter shall prevent any corporation lawfully doing insurance  
4 business in this state from the distribution of surplus and dividends to policyholders, nor shall this  
5 chapter prevent any corporation, or its agent, from paying commissions to a licensed insurance  
6 producer who has negotiated for the insurance, nor shall it prevent any licensed insurance  
7 producer from sharing or dividing a commission earned or received by the insurance producer  
8 with any other licensed insurance producer, who has aided the insurance producer in respect to  
9 the insurance for the negotiation of which the commission has been earned or paid.

10 (c) All policies of insurance issued or to be issued shall identify the real and/or personal  
11 property to be insured on any invoices issued to insureds in addition to those properties set forth  
12 in the declaration pages of the policy. Real property shall be listed with its address, motor and  
13 other vehicles with their year, make, and model, seagoing vessels, and aircraft with their year and  
14 model and precious metals and jewels with the weight and value of the items insured.

15 SECTION 2. Chapter 27-5 of the General Laws entitled "Fire Insurance Policies and  
16 Reserves" is hereby amended by adding thereto the following section:

17 **27-5-3.9. Identification of insured property on invoices. -- All policies of insurance**  
18 **issued or to be issued shall identify the real and/or personal property to be insured on any**  
19 **invoices issued to insureds in addition to those properties set forth in the declaration pages of the**  
20 **policy. Real property shall be listed with its address, motor and other vehicles with their year,**  
21 **make, and model, seagoing vessels, and aircraft with their year and model and precious metals**  
22 **and jewels with the weight and value of the items insured.**

23 SECTION 3. Chapter 27-7 of the General Laws entitled "Liability Insurance" is hereby  
24 amended by adding thereto the following section:

25 **27-7-2.6. Identification of insured property on invoices. -- All policies of insurance**  
26 **issued or to be issued shall identify the real and/or personal property to be insured on any**  
27 **invoices issued to insureds in addition to those properties set forth in the declaration pages of the**  
28 **policy. Real property shall be listed with its address, motor and other vehicles with their year,**  
29 **make, and model, seagoing vessels, and aircraft with their year and model and precious metals**  
30 **and jewels with the weight and value of the items insured.**

31 SECTION 4. This act shall take effect upon passage and shall apply to all insurance  
32 policies issued or renewed on or after July 1, 2014.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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1           This act would require all casualty and liability insurance companies to explicitly identify  
2 all real and personal property insured on invoices sent to their insureds for policies renewing or  
3 issued on or after July 1, 2014.

4           This act would take effect upon passage and would apply to all insurance policies issued  
5 or renewed on or after July 1, 2014.

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