



Rhode Island Insurance Federation

Via Email to HouseCorporations@rilegislature.gov

March 25, 2025

Representative Joseph J. Solomon, Jr.
Chair, House Corporations Committee
Rhode Island State House
Providence, RI 02903

RE: House Bill 6054— AN ACT RELATING TO INSURANCE – Motor Vehicle Appraisal—**Statement of Opposition**

Dear Chair Solomon:

The Rhode Island Insurance Federation submits this statement in opposition to House Bill 6054, which changes the process by which a dispute between the insured and their insurance company, concerning property damage, and requires that the umpire appraisers shall be disinterested (rather than impartial) and the costs are shared equally (under the status quo there is no language as to who pays for the umpire appraiser). This legislation also removes an insurance company's right to seek an independent appraisal and shifts that right only to the insureds or claimants. The Federation opposes these changes in House Bill 6054.

The Federation was recently formed to advocate for the property and casualty insurance industry in Rhode Island. Federation members write approximately 60% of the total property casualty insurance premiums in the state, and importantly over 85 percent of the private passenger auto insurance market in the state. Federation members include most of the major property-casualty insurance companies doing business in the state, and every national P&C insurance trade association is a member of the Federation.

Of note to the Federation are the changes to the process for selecting an umpire appraiser. Currently, if the two appraisers cannot agree, the party making the initial demand for the loss selects an umpire. Under this bill, if the appraisers cannot agree, they are forced to make the choice through a series of steps:

1. Provide each other with a list of five potential umpires.
2. Each must select a potential umpire from their counterpart's list.
3. **If they cannot agree to one of the two selected names, then the appraiser that submitted their list first gets to pick the umpire from the two selected names.**

This proposed change is very troubling. In particular, the bold face portion above essentially turns this process into a race to see who can get their list of appraisers in first. There does not seem to be anything that would prevent an insured or claimant from submitting their list of 5 immediately. On the other hand, if an insurance company tries to submit their list of 5 too early in the process, they will be accused of delay tactics and unfair trade practices.

House Bill 6054 is also silent on whether these appraisers have to be licensed within the state.

The Federation has significant concerns that these changes, along with others discussed today, are bad for the consumer as it will lead to more delays in getting their total loss payment or vehicle repaired, which will no doubt result in increased out of pocket rental costs, a bad customer experience, and at the end of the day likely higher insurance costs for Rhode Island's policyholders.

For the reasons set forth above, the Federation opposes House Bill 6054.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Christopher S. Stark".

Christopher S. Stark

Executive Director

Rhode Island Insurance Federation

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