



March 25, 2025

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

Re: House 6054 – An Act Relating To Insurance – Motor Vehicle Appraisal

Dear Mr. Chairman:

This statement in opposition to H.6054 is submitted by the American Property Casualty Insurance Association (APCIA).¹ H.6054 proposes further concerning procedural changes to Section 27-10.4-1, a law enacted just two years ago. While APCIA opposed its enactment in 2023, Section 27-10.4-1 at least lays out an open process for appraisal appeals. H.6054 is designed to obfuscate this process by stripping insurers of the ability to initiate these appeals. While that may seem like a good way to force insurers to cover inflated appraisals, in reality it is likely an example of cutting off one's nose to spite their face.

Most notably, H.6054 takes a process seemingly created to moderate disputes between insurers and the insured or claimant and flips it on its head by removing one party's right to initiate the process when there is a dispute. Prohibiting the insurer from initiating the appraisal process seems designed to make the process entirely one-sided. If it were to accomplish this goal, insurers could be forced to cover costs based on inaccurately high appraisals. As we've shared repeatedly across testimony for today's hearing, forcing insurers to cover additional costs is very likely to increase costs for Rhode Island drivers.

Depending on who is doing the ranking and how it is done, Rhode Island is widely recognized as a top 10 most expensive state for auto insurance costs today.² This is likely a significant driver in Rhode Island's ranking (11th or 16th depending on source) amongst states with the highest percentage of uninsured motorists at around 16%.³ That means roughly one-in-six drivers in Rhode Island is facing the risk of

¹ Representing nearly 65% of the U.S. property casualty insurance market, APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe. Several APCIA members are located in Rhode Island and many more do business here. Together, APCIA members write over 75% of the auto insurance sold in the state.

² See e.g.:

5th overall, 7th as a percentage of median household income - <https://www.iii.org/fact-statistic/facts-statistics-auto-insurance>

6th average insurance premium - <https://www.lendingtree.com/insurance/car-ownership-study/>

8th annual minimum liability premium, 13th average annual full-coverage premium - <https://www.marketwatch.com/insurance-services/auto-insurance/car-insurance-rates-by-state/>

10th - <https://www.insurancebusinessmag.com/us/guides/the-top-10-most-expensive-states-for-car-insurance-486233.aspx>

³ 16th at 15.6% (2022 data), <https://www.iii.org/fact-statistic/facts-statistics-uninsured-motorists>

11th at 16.5% (2024), <https://www.valuepenguin.com/auto-insurance/uninsured-motorist-statistics#heatmap>

personal liability for expenses in addition to fines and license suspensions.⁴ That's a risk borne by those drivers and it has broader societal impacts as well.

However, covering the cost of inflated appraisals is also a relatively minor problem compared to other potential consequences of H.6054. Prohibiting insurers from initiating an appraisal appeal process would seem likely to encourage litigation instead. More litigation will clog up the courts and likely increase costs significantly for both parties involved in the dispute. And, again, as covered above, increasing costs for insurers in litigating these disputes will also likely increase costs for Rhode Island drivers.

Rhode Islanders deserve better than facing increasing insurance premiums at best, or attorney fees at worst, so auto body shops can increase profits. For these reasons, APCIA urges the committee to hold H.6054 for further study.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jonathan Schreiber', with a stylized flourish at the end.

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⁴ <https://webserver.rilegislature.gov/Statutes/TITLE31/31-47/31-47-9.htm>