



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 6079— AN ACT RELATING TO INSURANCE – Liability Insurance—Rental Vehicle Coverage—**Statement of Opposition**

Dear Chair Solomon:

The Rhode Island Insurance Federation submits this statement in opposition to House Bill 6079, which delineates application of rental vehicle coverage to the named insured and driver(s) listed on the policy and their designee(s) unless the designee is specifically excluded. Due to the issues raised below, the significant increase in risk exposure, and ultimately costs, the Federation opposes House Bill 6079.

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.

H.6079 could significantly increase the insurer's risk exposure and will result in higher claim frequency, due to the troubling requirement to expand liability coverage to an unnamed "designee". In Section (a2) where it refers to "and/or their designee", this is undefined. The Federation strongly opposes the idea that a carrier is responsible in a first party context to provide a rental car for a non-insured and for whom the insurer would have ongoing liability obligations to.

In addition to the substantive concern about the designee, there are also drafting issues with this legislation that require remedy in order to be able to appropriately and accurately comment on the bill. Section (a) refers to obligations under "the property damage liability section" of the policy (3rd party) yet section (b) then says coverage pursuant to subsection (a) applies to the named insured and drivers listed under the policy. Subsection (a) is for third party coverage where the insured and listed operators are not beneficiaries of the coverage. It is likely the intent for subsection (b) to be pointing to subsection (c), which is where rental coverage is required for collision and comprehensive claims.

For the reasons set forth above, the Federation opposes House Bill 6079.

Respectfully submitted,

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Executive Director

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