



Rhode Island Insurance Federation



NAMIC[®]
NATIONAL ASSOCIATION OF
MUTUAL INSURANCE COMPANIES

Via Email to HouseCorporations@rilegislature.gov

May 15, 2025

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

RE: House Bill 6315-An Act Relating to Insurance– Investments by Domestic Insurance Companies
Dear Chair Solomon:

The Rhode Island Insurance Federation (“RIIF”) and National Association of Mutual Insurance Companies (“NAMIC”) submit this statement in support of House Bill No. 6315, which removes the 10 percent limitation on schedule BA assets, ensuring Rhode Island remains a regional competitor in the insurance market.

The Federation was recently formed to advocate for the property and casualty insurance industry in Rhode Island. Federation members write approximately 60 percent of the total property casualty insurance premiums 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, including NAMIC, is a member of the Federation.

Given the numerous other statutes granting regulatory authority over the solvency of insurance companies, this antiquated limitation on Schedule BA assets should be lifted. Through the Risk-Based Capital standards, and other regulations of financial statements by both regulators and rating agencies, there is no incentive for companies to increase their purchasing of risky investments. Any such moves towards low-liquidity investments would draw the ire of regulators and rating agencies alike, which is an already existing strong deterrent to any action that could risk an insurer’s solvency.

Importantly, in an era of expanding regional economic competition, Connecticut and Massachusetts no longer have limitations on Schedule BA investments. Instead, these state regulators rely on the wide array of other authority to ensure that company investments do not risk the reserves necessary to pay claims and maintain their solvency. No state regulator would permit such legislative actions to occur if they were not otherwise capable of providing oversight of investment decisions.

Since the U.S. interest rate has remained at historic lows over the past several decades, and despite the recent increases, Schedule BA assets can yield significantly higher returns than the traditional bond market. Allowing for these increased yields, strengthens rather than diminishes an insurer’s solvency and ensures there is ample reserves for major natural catastrophes.

House Bill 6315 ensures that company resources are not spent rearranging investments to ensure that as growth of current Schedule BA assets are realized that they are not over the cap currently imposed by the

state. Rather insurers and policyholders are better served when an insurance company's investment professionals are granted the flexibility needed for the required diversification and allocation of assets.

Finally, the Department of Business Regulation is fully capable, without the 10 percent limitation on Schedule BA Assets, to regulate insurers, provide oversight of investments, and ensure the solvency of companies. Nothing in this bill removes those other guardrails against excessive investment risks.

For the reasons set forth above, the RIIF and NAMIC strongly support House Bill 6315, and we urge the Committee to recommend passage.

Respectfully submitted,



Christopher S. Stark
Executive Director
Rhode Island Insurance Federation
cstark@rhodeislandinsurancefederation.org
(617) 356-2644 (cell)



Christopher Nicolopoulos, Esq.
Regional Vice President – Northeast
National Association of Mutual Insurance Companies
CNicolopoulos@namic.org
(603) 369-3654