



Factory Mutual Insurance Company
270 Central Avenue
P.O. Box 7500 Johnston, RI 02919 USA
T: 401 415 1230
omar.hameed@fm.com

Omar Hameed
Senior Vice President
Chief Legal Officer & Secretary

May 15, 2025

House Corporations Committee
Chair Joseph Solomon
Rhode Island State House
Providence, RI 02903

Re: House 6315 – An Act Relating to Insurance – Investments by Domestic Insurance Companies

Dear Chair Solomon:

I am writing to express support for House Bill 6315, which proposes to strike the cap on investments for insurance companies. The language set out in Rhode Island General Laws (RIGL), Section 27-11.1-3, limits the amount insurance companies may invest in assets that are reported in Schedule BA of an annual statement, including long-term invested assets such as LLCs, partnerships, private equity, hedge funds, and joint ventures. Specifically, this chapter provides that “those investments do not exceed in the aggregate ten percent (10%) of the company's admitted assets.”

Insurance companies grow by investing premiums, and FM finds itself in a fortunate position where the amount available to invest has increased significantly over the recent past.

Removing the investment cap means that Rhode Island will continue to provide a favorable environment for insurance industry employers. In addition, because other controls are already in place, this change presents no erosion of protections given to policyholders. It also provides an opportunity for Rhode Island to level the playing field with Massachusetts, where no such cap exists. Last, and importantly, this comes at no cost to the state or taxpayers.



FM has on occasion neared the limits of the existing cap and was required to take steps to come under the investment threshold. Removing the cap will give FM the opportunity to better invest on behalf of our mutual owners and make new investments in Rhode Island and across the globe.

We commend the work of the General Assembly, and this committee, for understanding the needs of businesses across the state. This change in statute does not cost the state any funding and signals to businesses here, in the region, and nationally that Rhode Island is a place for employers to grow and thrive.

As the largest, privately held company in the state, we strongly support H 6315 and believe that adjusting the investment limits will provide insurance companies with greater flexibility to manage their portfolios effectively, ultimately benefiting policyholders and giving the company the opportunity to continue to grow here in Rhode Island, as we have for nearly 200 years.

Thank you for considering our views on this important matter.

Sincerely,

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

Omar Hameed
Chief Legal Officer
FM