

May 9, 2025

The Honorable Joseph Solomon

Chairman, House Corporations Committee

Rhode Island House of Representatives

82 Smith Street

Providence, RI 02903

Dear Chairman Solomon:

On behalf of Delta Dental of Rhode Island, I am writing to express our strong support for House Bill 6315, which proposes the repeal of §27-11.1-3 of the General Laws, thereby eliminating the ten percent (10%) cap on Schedule BA investments by domestic insurance companies.

As Rhode Island's largest dental insurer, Delta Dental of Rhode Island takes seriously our commitment to fiscal prudence and long-term financial security for our policyholders. The proposed legislative change represents a welcome modernization of outdated statutory limits that no longer reflect the sophistication of today's regulatory oversight or the investment landscape in which we operate.

Schedule BA investments—which include important asset classes such as transportation equipment, mineral rights, and various alternative investments—have become increasingly essential in helping insurers diversify their portfolios, manage risk more effectively, and earn competitive returns. These investments, when made under the oversight of the Rhode Island Department of Business Regulation and in compliance with sound actuarial and investment principles, support the long-term solvency and stability of insurers.

By removing the arbitrary 10% cap, H6315 would bring Rhode Island in line with national best practices and provide domestic insurers with the same flexibility enjoyed by competitors domiciled in other states. This change will not only enhance our ability to responsibly manage our investment portfolios, but it will also improve our competitiveness and our capacity to continue delivering affordable, high-quality dental coverage to Rhode Island families and businesses.

We commend the sponsors of H6315 and the Governor for advancing this thoughtful and forward-looking proposal. We respectfully urge the Committee to recommend passage of this legislation.

Thank you for your consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read "Richard A. Fritz", with a stylized flourish at the end.

Richard A. Fritz

Senior Vice President & Chief Financial Officer

Delta Dental of Rhode Island