



# RHODE ISLAND JOINT REINSURANCE ASSOCIATION

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Two Center Plaza  
Boston, Massachusetts 02108-1904  
(800)851-8978, FAX (617)557-5675

**VIA Email: [HouseCorporations@rilegislature.gov](mailto:HouseCorporations@rilegislature.gov)**

February 11, 2026

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

Re: House 7515- An Act Relating To Commercial Law – General Regulatory Provisions – Deceptive Trade Practices; House 7516 – An Act Relating To Courts and Civil Procedures – Procedure In Particular Actions – Arbitration; House 7517 - An Act Relating To Courts and Civil Procedure –Procedure Generally – Causes of Action; and House 7521 An Act Relating To Insurance – Fire Insurance Policies And Reserves

Dear Mr. Chairman:

This statement in opposition to the above-captioned bills is submitted on behalf of the Rhode Island Joint Reinsurance Association (RIJRA), also known as the RI Fair Plan.

The Fair Plan was created by the General Assembly in 1969 To make basic property insurance available to qualified applicants who have been unable to secure such insurance in the voluntary market.<sup>1</sup>

RIJRA is a residual market insurance association in which all companies writing basic property insurance in Rhode Island are required to participate. Although created by law and regulated by the Insurance Division of the Department of Business Regulation, RIJRA is not a state government agency. No federal, state, or local government funds are used to support or subsidize RIJRA's activities. All required operating funds are obtained from, and the claims paying capacity of RIJRA is composed of, premiums received from policies issued, retained earnings, investment income, any payments under reinsurance programs and assessments levied on member companies, as necessary. No taxpayer dollars are used.

RIJRA provides a choice of property insurance policies to RI consumers that are virtually the same as those provided in the voluntary market. At the present time, RIJRA has approximately 4% share of Rhode Island's homeowners insurance market. This number is down and is continuing to trend downward – a sign that the health of the property insurance marketplace in the state is improving.

## General Comments

House Bills 7515, 7516, 7517, and 7521 are new to the Corporations Committee this session. Each bill is highly concerning and would significantly alter the property insurance landscape. Taken as a group, however, these

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<sup>1</sup> See Section 27-33 and 230 RICR 20-05-11.

bills represent the most significant challenge to the stability, predictability, and cost structure of the property insurance marketplace in Rhode Island seen in many years.

Given the volatility of the property insurance marketplace in other parts of the United States, compared with the relative stability of Rhode Island's market, especially as it relates to availability of coverage, ensuring continued market stability should continue to be an important public policy goal.

It should also be noted that each one of these bills has the standard "effective upon passage" language as its final section. Given the wide-ranging and complex changes these bills would require, along with increased exposure to liability and significant monetary and other damages, the ability of RIJRA to provide its policies and to timely settle claims would be significantly impacted. Simply stated, several of these bills mandate changes that are simply impossible to comply with immediately and a significant transition would be needed.

### Specific Comments

House 7515 seeks to make the Deceptive Trade Practices Act applicable to the insurance claims handling process. The General Assembly has seen similar proposals in past sessions and has recognized that the current insurance complaint process is up to the task and that litigation-based approaches add costs and delay. RIJRA respectfully suggests that this has not changed and that the current RI system appropriately balances consumer protection, availability and cost. RIDBR has not been shy in terms of holding entities accountable for harming consumers and we expect that will continue to be the case.

House 7516 proposes several changes in the insurance arbitration process which converts the current process from one that is fundamentally overseen by the provisions of the insurance policy to one overseen by the judiciary. This frustrates the process, will add to costs via increased claims severity, and could lead to further litigation, especially if the changes proposed by several of the other bills are passed.

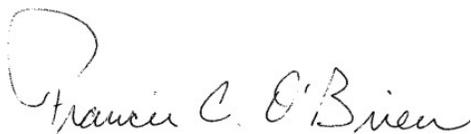
House 7517 seeks to put into place a plethora of claims-related third-party bad faith provisions enforceable with a private right of action. Its scope and breadth are almost unprecedented and its potential for both increased costs for RI consumers and the potential negative impact on the stability of the property insurance marketplace are significant. The legislature has not looked kindly on third party bad faith in the past.

House 7521 is at least a first cousin to H7517 and presents from our point of view many of the same issues, but does so by amending the standard fire policy law. While this bill may have a different home, its intent and impact are much the same.

### Conclusion

While this statement is brief, its brevity belies our level of concern. RIJRA urges the House Corporations Committee to hold House Bills 7515, 7516, 7517, and 7521 for further study and not advance them in this session.

Very truly yours



Francis C. O'Brien  
Vice President and General Counsel