



February 11, 2026

House Corporations Committee
Chair Joseph Solomon
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

House 7521 - AN ACT RELATING TO INSURANCE -- FIRE INSURANCE POLICIES AND RESERVES

Dear Chairman Solomon:

Thank you for the opportunity to share these comments on behalf of the American Property Casualty Insurance Association (APCIA).¹ This quartet of bills represent an unprecedented and unnecessary attack on the homeowners' insurance market (and beyond) in Rhode Island. While we are still attempting to quantify the exact impacts, **conservatively, these bills separately, and most certainly together, could have catastrophic results for Rhode Island policyholders, with the potential of generating significant affordability and availability challenges**, damaging a well-functioning and heavily regulated industry that has operated to the benefit of Rhode Islanders for hundreds of years.

The homeowners' insurance industry plays an essential role in the Rhode Island housing market. As of 2021, Rhode Island was home to over 265,000 homeowners and renters who purchased insurance policies. Most banks require homeowners' insurance to access and maintain mortgages. In 2024, Rhode Island homeowners' insurance policies paid out \$270 million in losses. It is, by all accounts, a healthy and well-functioning system² that provides consumers value under regulatory oversight by the Department of Business Regulation.

¹ Representing 67% of the U.S. property casualty insurance market, APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe. Several APCIA members are located in Rhode Island and many more do business here. APCIA members are integral to the state of Rhode Island. They write 76% of the property casualty insurance sold in this state. The P&C insurance industry employs over 3,200 Rhode Islanders, provides annual assistance of \$1.5 billion in claim payments to help customers in the state, and contributes over \$160 million annually to the state in premium taxes.

² Rhode Island is ranked as the 9th most stable homeowners insurance market by Lending Tree - <https://www.lendingtree.com/insurance/home-insurance-stability-study/>. It has 22 licensed insurers each writing more than 1% of the market and in 2023 had a 58% loss ratio - <https://content.naic.org/sites/default/files/publication-msr-pb-property-casualty.pdf>.

H.7521 would almost entirely rewrite the claims process in the standard property insurance form.

Efforts to ‘standardize’ insurance policy language date back to the early 1900s, to reduce confusion and promote greater efficiency and consistency in claims handling. Thirty-one states have such a form. Rhode Island’s standard fire insurance policy statute (§ 27-5-1) was first promulgated in 1896 and has been continually updated over the subsequent 130 years. The current homeowners policy form is a legal contract incorporating decades of precedents that provide efficiency and certainty for the homeowner and insurer.

H.7521 would weaken loss notice and inventory requirements inherent in the existing form, while also severely limiting insurers’ ability to conduct inspections, making it very difficult to accurately document the damage claimed, and resist inflated or potentially non-meritorious claims. It also would upend the standard umpire appraisal process in a similar manner, exposing insurers to undue liability, forcing excessive payouts, and generating significant additional administrative burdens. The proposed interest and statute of limitations provisions could impose further additional expenses. **All of these substantial and unnecessary added costs would likely be reflected in the premiums borne by Rhode Island residents.**

H.7515 attempts to abuse the Unfair Sales Practices Act (§ 6-13) to drastically expand potential litigants against insurers.

This bill would allow claims not only by insureds or parties legally assigned their benefits, but also any “person or business entity asserting rights to payment, benefits or performance... including third-party beneficiaries.” Setting aside that insurance contracts already have their own definitions, this bill would expose insurers to drastically expanded liability and remove the intentional focus of an insurance policy on the policyholder.

Expanding liability to parties acting on behalf of insurer’s, such as adjusters, runs counter to the law in the vast majority of states because it is “contrary to longstanding principles of agency law and enable insureds to double recover.”³ As explained further courts have found that permitting claims against adjusters “would contravene core agency principles because insurers are already liable for the conduct of adjustors.”

The relationship between the insured and the insurer is defined and governed by the insurance policy and its accompanying implied covenant of good faith and fair dealing. Further, the obligations of an independent adjuster are measured by the contract between the adjuster and the insurer. Because the conduct of an adjuster acting within the scope of his or her authority as agent for the insurer is imputed to the insurer, the insurer is subject to liability for the adjuster’s mishandling of claims in actions alleging breach of contract or bad faith. Hence, allowing the insured to sue the independent adjuster in tort for economic losses allegedly caused by mishandled claims is both unnecessary and contrary to the law of agency.

.... Moreover, [the vast majority of] courts found that policy considerations weigh against creating a duty, as permitting double recovery against an adjuster and insurer is inherently unfair and would drive up insurance costs.⁴

It would also expand deceptive trade practices to routine handling of insurance claims, from investigation to appraisal and negotiation. Every claim decision could be reframed as a potential statutory violation.

H.7515 would likely result in Rhode Island fostering a cottage industry of third parties asserting claims to line their pockets **to the detriment of consumers who would face drastically increased costs as greater portions of claims payments are siphoned off to the special interests behind these bills.**

To the degree they continue operating in Rhode Island, insurers would be heavily incentivized to aggressively defend claims handling by requiring excessive documentation, prolonged reviews, and delayed decisions to mitigate this exposure. **This, again, harms Rhode Island consumers by increasing costs and decreasing**

³ See *New England Property Services Group, LLC v. Rimkus Consulting Group, Inc.*, 1:24-cv-00133 (Aug 2024), <https://app.midpage.ai/document/new-england-property-services-group-10668515>

⁴ Id.

efficiency.

H.7516 would upend the Rhode Island Arbitration Act.

This bill confusingly adds a requirement that the court appoint arbitrators or umpires if any party has amorphously delayed, “failed, refused or neglected” to make a contractually required appointment. It seemingly ignores the existing § 10-3-4 which empowers the Superior Court to require arbitration proceedings if it finds a party fails, neglects or refuses to perform them as required by contract. It also seems to ignore the existing § 10-3-6, which already empowers the court to designate and appoint arbitrators or umpires if any party “fail[s] to avail himself or herself” of the contractually mandated appointment process or there is “a lapse in the naming” of an arbitrator or umpire. Finally, it adds the word “appraiser” to a single clause. It is not clear what intent is behind this, but the Rhode Island Supreme Court has long held that the appraisal process is a form of arbitration.⁵

Finally, this bill would halve the time allowed for service to vacate, modify, or correct an award. The 60-day timeline has been law in Rhode Island for at least the last 50-years and is already shorter than federal requirements (90 days), the Uniform Arbitration Act (90 days), and most states. The 30-day requirement would make Rhode Island an outlier and would likely result in more litigation, undoing the benefits of arbitration. With only 30-days (including service time), parties are far more likely to take legal action, file first, and figure out the rest later. **That means more Rhode Islanders could face increased exposure to expensive litigation.** The current 60-day requirement, while still on the short end, allows for greater procedural fairness and substantive review.

H.7517 overturns basic contract law to expose insurers to significant additional liability

This bill creates new and broadly assignable causes of action that do not require proving a contract breach. The bill is full of vague legally entrapping standards for claims investigations, seemingly designed to abuse the civil litigation process, generate frivolous lawsuits, and push insurers to pay questionable or inflated claims to avoid exposure. It would turn minor, routine claims handling disagreements, many of which are regulated under the existing insurance contract and licensing laws, into statutory violations. **As a result, H.7517 would significantly increase costs for consumers.**

APCIA appreciates the opportunity to provide feedback. We strongly oppose these **bills that are likely to generate explosive additional costs for Rhode Island residents.** We urge unfavorable reports and welcome the opportunity to discuss them further.

Very truly yours,



Jonathan Schreiber
Associate Vice President, State Government Relations, APCIA
Jonathan.schreiber@apci.org
(202) 828-7121

⁵ See e.g. *Vermont Mutual Insurance Company v. New England Property Services Group, LLC*, 2025 RI 20 (March 20, 2025) <https://law.justia.com/cases/rhode-island/supreme-court/2025/24-67.html>. Also noting irony in the bill’s summary to improve “timeliness” and prevent “insurers from delaying.” The Rhode Island Supreme Court posited about the special interests behind this bill - “The Plaintiff’s actions make clear its willingness to use every judicial avenue available to it, irrespective of efficient conflict resolution.” A footnote cites “dozens of pending cases in the Superior Court involving the plaintiff and a multitude of homeowners’ insurance companies” and issues a warning – “The plaintiff should beware of continually arguing inconsistent positions in litigation.”