

February 11, 2026

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

Chair Solomon, esteemed Members of the Committee:

The National Association of Mutual Insurance Companies (NAMIC) is grateful for the opportunity to testify at this hearing in opposition to bills H7515, H71516, H7517, and H7521.

NAMIC is the foremost trade association representing the property/casualty insurance industry. Serving more than 1,300 member companies - including local and regional insurers as well as some of the nation's largest carriers - NAMIC members collectively write \$467 billion in annual premiums, representing 61% of the homeowners' and 53% of the automobile insurance markets. For more than 130 years, NAMIC has been the leading voice advancing public policy solutions and regulatory frameworks that promote a strong, competitive market and protect our members and their policyholders.

NAMIC believes that this package of bills has the potential to inflict devastating damage on Rhode Island's insurance market and turn the state into a hotbed for excessive litigation. The consequences would be increased costs across the board for Rhode Island residents, while curbing the State's ability to cut down fraudulent claims.

H7517

H7515, which is setting the definitions for H7517, seeks to 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." This bill also seeks to expand the contractual relationship beyond the insurer and the policyholder to third parties, which expands liability for insurers. Its definitions of both "insurer" and "insurance claim handling services" extend beyond the realm of property insurance and could unintentionally interfere with certain auto-insurance initiatives—particularly due to the breadth of the definition of "Insurance Claim Handling Services."

Furthermore, unfair trade practices by an insurer are already regulated by 27-9.1-1 – 27 -9.1-9.¹ This bill creates confusing and overlapping definitional issues as claims handling practices are thoroughly covered in those chapters of the insurance code. There is already a full and robust system to address bad actors

¹ See R.I. Gen. Laws §§ 27-9.1-1–27-9.1-9.



through the Department of Business Regulation (DBR), which takes consumer protection matters very seriously and actively takes enforcement action against insurers who violate the unfair claims settlement practices statute. DBR is able to identify improper claim practices through a variety of channels, including through flags raised from consumer complaints and from patterns identified through market conduct reviews.

H7516 and H7521

With respect to H7516 and H7521, NAMIC strongly opposes the attempt to extend the already unworkable auto-insurance umpire appraisal system into the property-insurance arena. This program courts misuse and abuse and is in fact already regulated via sections 10-3-4 and 10-3-6 of the insurance code.²

Further, shortening the timeline to 30 days is far too short, and would likely increase litigation. The 60-day timeline has been state law for the last several decades and is shorter already than federal requirements (90 days), the Uniform Arbitration Act (90 days), and most other states. Limiting the timeline to 30 days would make Rhode Island an outlier and would upend the exact reason arbitration is encouraged in the first place.

H7517

This bill, which establishes a new bad faith standard in Rhode Island, when combined with H7515, would create a catastrophic litigation environment in Rhode Island. By not requiring a breach of contract before seeking recovery, the State will see an influx of cases from attorneys seizing this new opportunity. It will increase litigation, increase cost of claims, and ultimately put upward pressure on rates for all Rhode Island policyholders.

While other states are taking action to curb legal system abuse and are seeing the benefits of that in lower premiums, this bill and H7515 would have the exact opposite effect and would make Rhode Island a true outlier. Increased litigation drives up costs. It drives up costs for working families, and it drives up costs for businesses both large and small. This bill would make Rhode Island a hot bed for litigation abuse and Rhode Island businesses and policyholders would be the ones who are most affected.

Conclusion

As stated, NAMIC opposes all four of these bills strongly. They have the ability to truly ruin Rhode Island's insurance market and turn the state into an epicenter of excessive litigation. They are, simply put, in search of a problem to solve. There is no evidence to support the conclusion that there is a pattern and practice of insurers routinely violating the current law, so as to justify creating a private cause of action that is rife with adverse societal consequences. Likewise, there is no evidence that DBR has failed to protect consumers or properly regulate claims settlement practices.

² See R.I. Gen. Laws § 27-10-3 & R.I. Gen. Laws § 27-10-6



For these reasons, we urge the Committee to vote against passage of these bills. Thank you for your consideration.

Sincerely,

Sean McLaughlin

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