

**2026 -- H 7517**

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LC003739  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY JANUARY SESSION, A.D. 2026**

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AN ACT

RELATING TO COURTS AND CIVIL PROCEDURE -- PROCEDURE GENERALLY -  
- CAUSES OF ACTION

Introduced By: Representative Stephen M. Casey

Date Introduced: February 06, 2026

Referred To: House Corporations

House Corporations Hearing Date: February 11, 2026

**WRITTEN TESTIMONY OF NEW ENGLAND PROPERTY SERVICES  
GROUP, LLC IN FAVOR OF PASSAGE**

Dear Representatives of the House Corporations Committee:

New England Property Services Group, LLC supports passage of H 7517, as it would strengthen the practical enforcement of existing laws governing the appraisal and arbitration of disputed residential property insurance claims and provide critical consumer protections for Rhode Island homeowners.

- **R.I. Gen. Laws § 9-1-33** was enacted to provide an insured with the right to bring an independent cause of action against an insurer that wrongfully and in bad faith refuses to pay or settle a claim. Subsequent Rhode Island Supreme Court decisions have interpreted the statute to require that such claims be contingent upon first proving a breach of contract.
- The proposed addition of subsections (c) and (d) to **§ 9-1-33** would expressly affirm the General Assembly's original intent that the statutory bad faith cause of action is independent of any breach of contract claim.
- The proposed addition of subsection (e) to **§ 9-1-33** would expressly define the insurer's duty of good faith and fair dealing under the statute.

- The proposed amendments to **R.I. Gen. Laws § 27-9.1-1** would establish a private cause of action for an insured or claimant who experiences an insurer’s unfair claim settlement practices during the adjustment, settlement, or resolution of a property damage claim.
- The proposed amendments to **R.I. Gen. Laws § 27-9.1-4** would expand the definition of “unfair claim practice” to include:
  - The proposed new subsection (7) adds an insurer’s failure to conduct a reasonable investigation using properly registered and licensed individuals knowledgeable in state and local building codes, manufacturer installation instructions, and mandatory health and safety standards.
  - The proposed new subsection (8) adds an insurer’s failure to assign a competent, properly trained, and credentialed individual to investigate, adjust, or settle the claim.
  - The proposed new subsection (36) prohibits the inclusion of the depreciation of labor when calculating actual cash value or replacement cost value.
  - The proposed new subsection (37) requires the inclusion of consequential damages when calculating actual cash value or replacement cost value.
  - The proposed new subsection (38) requires an insurer to include the prompt notice to an insured of the right to demand appraisal, regardless of the insurer’s coverage determination.
  - The proposed new subsection (39) requires the inclusion of overhead and profit when calculating actual cash value or replacement cost value.
  - The proposed new subsection (40) requires the use of properly registered, licensed, and credentialed individuals to investigate, adjust, appraise or settle the claim.
  - The proposed new subsection (41) prohibits the use of business entities not registered to do business in Rhode Island.
- The proposed addition of **R.I. Gen. Laws § 27-9.1-10** would establish a private cause of action for insureds or claimants harmed by violations of § 27-9.1-4 during the adjustment, settlement, or resolution of a property damage claim.

Respectfully submitted,

Thomas J. Alves, Esq.  
 In-House Legal Counsel  
 New England Property Services Group, LLC