



March 3, 2026

House Corporations Committee
Chair Joseph Solomon
Rhode Island State House
Providence, RI 02903

Re: House 7512 - AN ACT RELATING TO BUSINESS AND PROFESSIONS -- CONTRACTORS'
REGISTRATION AND LICENSING BOARD

House 7844 - AN ACT RELATING TO CORPORATIONS, ASSOCIATIONS, AND PARTNERSHIPS
-- RHODE ISLAND BUSINESS CORPORATION ACT

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 H.7512 and H.7844 separately, and together with the four bills previously heard, represents 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. While it has experienced some challenges recently, it is generally a healthy and well-functioning system² that provides consumers value under regulatory oversight by the

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

Department of Business Regulation.

H.7512 would upend Rhode Island’s contractor licensing law, increasing costs and fraud perpetrated on Rhode Islanders. The bill would expand the definitions of contractor and home inspector to include insurance adjusting and create a definition of insurance adjuster that appears to mandate also being licensed as a contractor and home inspector. This is highly problematic for several reasons:

1. Requiring insurance adjusters to also be licensed as contractors and home inspectors would significantly increase the cost of their service and limit the number of available adjusters, resulting in **major price increases and delays in accessing services.**
2. This bill is completely unnecessary. Rhode Island law already requires licensing of insurance adjusters.³ Adjusters must pass an examination and background checks with biannual renewals. By law they must be “trustworthy, reliable, and of good reputation”⁴ and “not committed any act that is a ground for probation, suspension, revocation, or refusal of a professional license.”⁵ The examination requires would-be adjusters to demonstrate “knowledge of the individual concerning the duties and responsibilities of an adjuster and the insurance laws and regulations of this state.” And DBR is empowered to take action against violators.
3. As a licensed profession, “adjuster” is already a defined legal term – “an individual licensed as either a public company or independent adjuster.”⁶ H.7512 would dramatically expand the definition to include essentially anyone potentially involved in the claims process. **This alone would increase costs, and coupling it with the expanded licensing requirements noted in #1 will result in more significant cost increases for Rhode Islanders.**
4. Allowing insurance adjusters to also serve as home inspectors and contractors is a recipe for fraud. This was one of the major problems that caused Florida to overhaul several laws following insurance affordability and availability challenges.⁷ There is an inherent financial conflict of interest for adjusters acting as contractors and vice-versa. For this reason, the National Association of Public Insurance Adjusters Code of Ethics⁸ prohibits the practice and other states⁹ are looking to install firewalls between

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>.

³ See § 27-10

⁴ See § 27-10-3(3)

⁵ Ironically, this would disqualify the bill’s proponents. See, <https://law.justia.com/cases/rhode-island/superior-court/2006/05-0365.html> and https://dbr.ri.gov/sites/g/files/xkgbur696/files/documents/decisions/BK-Ceceri-Notice_of_Denial.pdf

⁶ See § 27-10-1.1

⁷ See e.g. *Storm-Driven Insurer Insolvencies Stir State Actions: Explained*, Dec.

2022 <https://www.flortreform.com/news/storm-driven-insurer-insolvencies-stir-state-actions-explained/> - 15 Florida property insurers became insolvent since 2020 driven by climate change and sever storms as well as excessive litigation and fake claims.

Next to Fall: The Climate-Driven Insurance Crisis is Here – And Getting Worse, Senate Budget Committee Staff Report Dec.

2024, <https://www.documentcloud.org/documents/26217177-senate-the-climate-driven-insurance-crisis-is-here-and-getting-worse/> - Florida’s non-renewal rate jumped 280% between 2018 and 2023.

Climate Change, Housing, and Homeowners Insurance in Florida: Lessons for California

Brief, Newamerica.org, Sept, 2025, <https://www.newamerica.org/future-land-housing/briefs/insurance-in-florida-lessons-for-california> - Florida’s equivalent of the Rhode Island Joint Reinsurance Association/Rhode Island Fair Plan more than

tripled in size between 2017 and 2022, insuring \$423 billion worth of property, concentrating risk that could have ultimately forced massive assessments on policyholders or even taxpayers writ-large.

⁸ <http://www.napia.com/learn/code-conduct.asp>

⁹ See e.g., <https://www.newsfromthestates.com/article/contractors-might-have-stop-calling-themselves-insurance-claims-specialists-under-new>

these professions.

5. **H.7512 will increase costs by creating a hotbed for assignment of benefits (AOB) abuse.** AOB is the legal practice of a homeowner assigning their benefits to a restoration contractor they have hired to complete repairs following damage. An AOB can streamline the process from the homeowners' perspective and allows the insurer and repair company to negotiate directly. However, it is also ripe for abuse as unscrupulous contractors may try to get as much money from the insurer as possible and complete the work for as cheaply as possible as they stand to gain the delta. In the worst cases, unscrupulous contractors will follow this process for fabricated claims, often using the courts (this was especially extreme in Florida because of their since repealed one-way attorney fee statute) as a means of exerting pressure and adding expense for insurers in the hopes that they can encourage inaccurate or completely unsubstantiated settlements. We are seeing this practice emerging in Rhode Island¹⁰ where litigation laws make it a particularly enticing state for these types of practices.

H.7844 overturns longstanding business regulation laws to target insurers and drastically increase costs for Rhode Islanders.

This bill takes a different tact aimed a similar outcome to H.7517, adding an overbroad definition of “claims handling services” designed to entrap insurers that are not domiciled in Rhode Island. This would cover roughly 87% of the Rhode Island homeowners market and 94% of all lines.¹¹ It adds significant and onerous penalties and requires extensive licensing requirements merely for advertising in the state. While we can only approach it from an insurance perspective, we believe this would also have significant impacts on other industries as well.

There is simply no need for this bill as foreign insurers are already subject to chapter 7-1.2 (see § 7-1-5¹²) and have to maintain a Rhode Island certificate of authority¹³ (and much more under the Department of Business Regulation – see 230 RICR-20-55-1)¹⁴. People performing claims handling services are most likely also already licensed as insurance adjusters in Rhode Island, (as explained above in #'s 2 and 3) subject to testing, licensing, and ethical requirements and also regulated by DBR.

It would also upend a 58-year old insurance exemption to the deceptive trade practice act, which exists simply because insurers are subject to their own insurance-specific deceptive trade practices act (§ 27-29-1).

Ultimately, significantly increasing licensing requirements, litigation risk, and damages for missteps will harm Rhode Islanders. **This bill will make Rhode Island a less attractive business landscape for foreign insurers, harming the competitive balance, likely to increase costs for residents.**

While we previously commented on the below bills, we think it is instructive to understand the goal of the proponents of H.7512 and H.7844 is not limited just to revising some definitions or empowering the Secretary of State. Instead, they want to overhaul homeowners insurance law in order to prevent insurers from combatting fraud or limiting liability. These bills together lay out a playbook that would make Rhode Island one of the top AOB abuse states in the country. **We have already seen how that ends with the insurance affordability and availability crisis experienced in Florida (see footnote 7).**

¹⁰ 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>. 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.”

¹¹ <https://content.naic.org/sites/default/files/publication-msr-pb-property-casualty.pdf>

¹² <https://law.justia.com/codes/rhode-island/title-7/chapter-7-1/section-7-1-5/>

¹³ https://dbr.ri.gov/sites/g/files/xkgbur696/files/2023-08/Application%20LHorPC_0.pdf

¹⁴ <https://rules.sos.ri.gov/regulations/part/230-20-55-1>

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.”¹⁵ As explained further courts have found that permitting claims against adjustors “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 adjustor and insurer is inherently unfair and would drive up insurance costs.¹⁶

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**

¹⁵ 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>

¹⁶ *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.¹⁷

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,



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¹⁷ 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.”