



April 28, 2026

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

Re: House 7864 – An Act Relating To Insurance – Motor Vehicle Appraisal Provision

Dear Mr. Chairman:

This statement in opposition to H.7864 is submitted by the American Property Casualty Insurance Association (APCIA).¹ H.7864 marks the second consecutive year of bills further amending the 2023 umpire appraisal law. After the initial version was deemed fair, proponents returned in 2025 and requested further amendments in H.6054. That bill was enacted into law just 10 months ago. Now the proponents return a third time in H.7864, literally placing into law a payment directive which destroys the value of the umpire process set forth in the original legislation.

The umpire appraisal process should be designed to fairly moderate disputes between insurers and the insured or claimant. It was crafted to keep disputes out of superior court.² Logically, and as originally created, this process could be initiated by either the insurer or the insured/claimant. That of course, means that parties could have genuine disputes moderated through the umpire process and both insurers and claimants could have a means of recourse if auto body claims were unreasonable (or vice versa). That level of fairness was deemed untenable, so last year's law removed the insurer's right to initiate the process and added penalties for large gaps in estimates.

The very predictable result is already playing out. Auto-body shops are incentivized to push their estimates as high as possible because insurers cannot initiate umpire proceedings. Insurers are then faced with an impossible scenario: refuse to pay unfair, inflated, and unsubstantiated auto body shop demands or be dragged into a one-sided appraisal process with the prospect of heightened penalties if they stand by accurate estimates.

Yet the one-sided process alone has been deemed insufficient. H.7864 is another piece to add, requiring insurers to blindly pay at the end of this kangaroo court. **Forcing insurers to cover inaccurate and higher costs is very likely to increase costs for Rhode Island drivers.**

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 What we're asking the Senate to do here in this bill is to basically put the appraisal clause into statute so that when there is a disagreement there is a way for the consumer to have it worked out without having to go basically to superior court.... So it streamlines that process, gets it done quickly for the consumer."

<https://capitolvri.cablecast.tv/show/5946?site=1> at roughly 35:00.

Ultimately, insurers prohibited from initiating umpire appraisals and forced to cover unsubstantiated claims and appraisal cost penalties may simply choose to litigate claims in court, the very outcome the umpire appraisal law was designed to avoid in the first place. **This will likely increase litigation, clogging up the courts, increasing costs for insurers and claimants, and ultimately raising premiums.**

For these reasons, APCIA urges the committee to hold H.7864 for further study.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jonathan Schreiber". The signature is fluid and cursive, with the first name being more prominent.

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