



April 28, 2026

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

Re: House 7866 – An Act Relating To Insurance – Unfair Claims Settlement Practices Act

Dear Mr. Chairman:

This statement in opposition to H.7866 is submitted by the American Property Casualty Insurance Association (APCIA).¹ H.7866 revisits a law just passed by the legislature in 2025. The same proponents supported H.6062/S.902 to increase the total loss threshold from then 75% to 85%. The Legislature, in its wisdom, crafted a compromise at 80%. Both APCIA and the bill's proponents were dissatisfied with that outcome, the sign of a sound compromise. Returning to push again on 85% disregards the will of this body and will further increase the cost of insurance for Rhode Islanders and related risk of uninsured motorists.

Depending on who is doing the ranking and how it is done, Rhode Island is widely recognized as a top 10 most expensive state for auto insurance costs today.² This is likely a significant driver in Rhode Island's ranking (11th or 16th depending on source) amongst states with the highest percentage of uninsured motorists at around 16%.³ That means roughly one-in-six drivers in Rhode Island is facing the risk of personal liability for expenses in addition to fines and license suspensions.⁴ That's a risk borne by those drivers and it has broader societal impacts as well.

These costs are generated in large part by Rhode Island's outlier status in nearly every auto-insurance aspect, with many Rhode Island-only laws. Last session, Rhode Island went from one of 17 states with a

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 See e.g.:

5th overall, 7th as a percentage of median household income - <https://www.iii.org/fact-statistic/facts-statistics-auto-insurance>

6th average insurance premium - <https://www.lendingtree.com/insurance/car-ownership-study/>

8th annual minimum liability premium, 13th average annual full-coverage premium -

<https://www.marketwatch.com/insurance-services/auto-insurance/car-insurance-rates-by-state/>

10th - <https://www.insurancebusinessmag.com/us/guides/the-top-10-most-expensive-states-for-car-insurance-486233.aspx>

³ 16th at 15.6% (2022 data), <https://www.iii.org/fact-statistic/facts-statistics-uninsured-motorists>

11th at 16.5% (2024), <https://www.valuepenguin.com/auto-insurance/uninsured-motorist-statistics#heatmap>

⁴ <https://webserver.rilegislature.gov/Statutes/TITLE31/31-47/31-47-9.htm>

75% threshold to one of five (5) states at 80%.⁵ No other state in the country is at 85% and only two (2) states (Colorado and Texas) are higher (7 are below 75% and 20 use total loss formula).⁶ meaning that H.7866 would move Rhode Island even further into far outlier territory.

While moving from 80% to 85% may seem like a small increase, it has significant market impacts that are likely, as usual, to be borne by consumers.

- According to CarGurus®, the average used car price at the time of drafting is \$27,666.⁷ Using that data point, the difference in total loss thresholds is \$1,383.⁸
- APCIA estimates conservatively that as many as 17,100 vehicles are declared a total loss under the 80% threshold in Rhode Island each year.⁹
- If 6.3% (percent change from 80% to 85%) more of those 17,100 vehicles are repaired under H.7866 that would otherwise have been declared a total loss, that's 1,067 additional vehicles repaired.
- Conservatively, assuming that the increased insurance payout is in the middle of the \$1,383 range (\$692), that's an added statewide cost of \$740,000.

If more vehicles qualify for repair and/or at higher costs, the price would rise significantly. For example, if 20% more vehicles qualified for repair at an average of \$1,037, statewide costs would be over \$1.3 million. And on, and on. These costs are likely to ultimately be borne by consumers who will pay more for auto insurance.

For these reasons, APCIA urges the committee to hold H.7866 for further study.

Very truly yours,



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⁵ <https://www.mwl-law.com/wp-content/uploads/2018/02/AUTOMOBILE-TOTAL-LOSS-THRESHOLDS-CHART.pdf>

⁶ Total loss formula considers a car a total loss if the cost of repair plus its salvage value is higher than actual case value. Rhode Island switched from a total loss formula state to the 75% threshold in 2013.

⁷ <https://www.cargurus.com/research/price-trends>

⁸ 80% of \$27,666 = \$22,133

85% of \$27,666 = \$23,516

\$23,516 - \$22,133 = \$1,383

⁹ CCC Information Solutions data shows that 22% of the time a vehicle is declared a total loss under 75% threshold. A 2024 LexisNexis study estimated that 27% of all collision claims in 2023 were declared total losses (again under 75%). Using the 27% number would further increase cost. <https://risk.lexisnexis.com/insights-resources/white-paper/auto-insurance-trends-report>

