



## Rhode Island Insurance Federation

Via Email to [HouseFinance@rilegislature.gov](mailto:HouseFinance@rilegislature.gov)

May 13, 2025

Representative Marvin Abney  
Chair, House Judiciary Committee  
Rhode Island State House  
Providence, RI 02903

RE: House Bill 6276—Rhode Island Property Resiliency Act

Dear Chair Abney:

The Rhode Island Insurance Federation submits this statement in opposition to the property insurance surcharge contained in House Bill No. 6276, which otherwise appropriately focuses on building a culture of resiliency in Rhode Island.

The Federation was recently formed to advocate for the property and casualty insurance industry in Rhode Island. Federation members write approximately 60% of the total property casualty insurance premiums in the state, and importantly over 50 percent of the homeowners and commercial property insurance market.

Together as a state, we must develop a culture of resiliency that embraces risk management and mitigation at every level. Climate related events are changing the risk map for properties, as “smaller”, in comparison to hurricanes, convective storms (the \$2B and less storm) are increasing in both frequency and severity simultaneously, partially because some of our worst climate years are coinciding with the pressures from abuse of the legal system, cost of capital (reinsurance), and ever present inflation/supply chain challenges.

In the first quarter of 2025 we’ve already seen \$53B in global insured losses which is the 2<sup>nd</sup> highest Q1 loss total in history and is well above the 10 yr average. With this pace, 2025 will be the 7th consecutive year with over \$100B in global insured losses.

However, there is one key factor to consider when applying a surcharge, or tax, on a policy to fund resiliency measures—flood insurance is not usually part of a standard property insurance policy, but rather most flood insurance is provided by the National Flood Insurance Program (NFIP). As such, policyholders in Rhode Island will face a surcharge to a policy for which there will likely be no return on that investment.

In order to foster a culture of resiliency, investments are needed, but they should not be attached to homeowners policies, especially when Rhode Island already consistently ranks as one of the top 5 costliest states to insure property.

As the Federation, we would like to work with all stakeholders to build new structures to stronger building codes, educate consumers on the need to protect their assets with flood insurance products, improve education of the growing risk of flooding, but we cannot support homeowner's and other property insurance policies being charged a surcharge for losses that will be born by flood insurance.

For the reasons set forth above, the Federation opposes the property insurance surcharge included in House Bill 6276, and we urge the Committee not to advance this proposal with such language.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Christopher S. Stark".

Christopher S. Stark

Executive Director

Rhode Island Insurance Federation

[cstark@rhodeislandinsurancefederation.org](mailto:cstark@rhodeislandinsurancefederation.org)

(617) 356-2644 (cell)