



Rhode Island Insurance Federation



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NATIONAL ASSOCIATION OF
MUTUAL INSURANCE COMPANIES

April 29, 2026

Via Email to HouseFinance@rilegislature.gov

Representative Marvin L. Abney
Chair, House Finance Committee
Rhode Island State House
Providence, RI 02903

RE: House Bill 7465 - Issue Brief—Insurer Funding of Fire Services Training

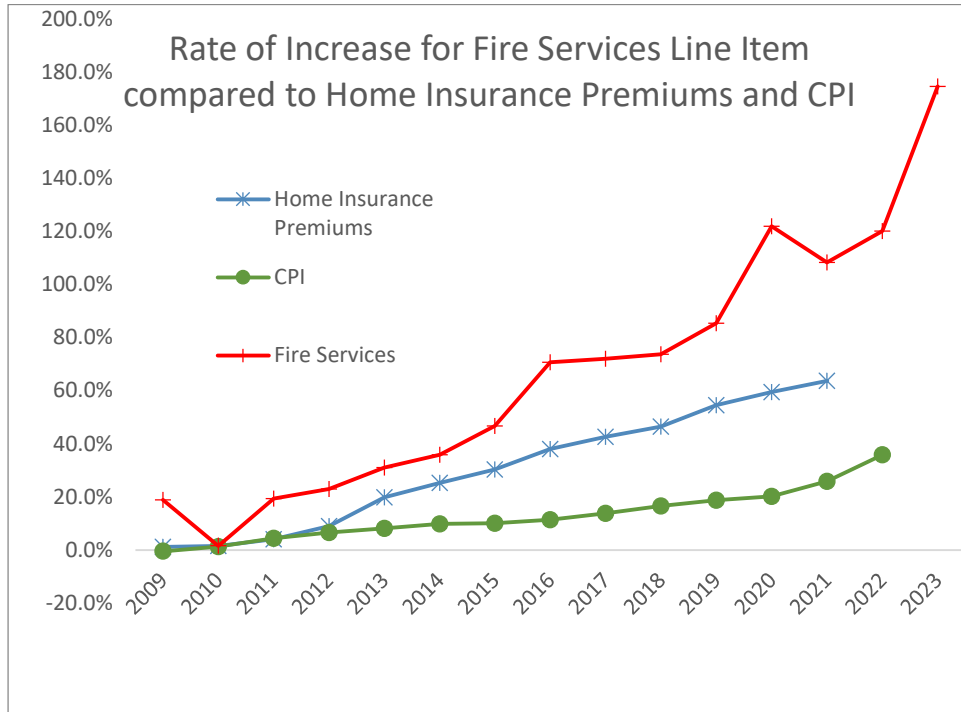
Dear Chair Abney and Members of the House Finance Committee:

On behalf of policyholders and the domestic property/casualty insurance industry in Rhode Island, the Rhode Island Insurance Federation and the National Association of Mutual Insurance Companies respectfully urge you to increase transparency and ensure that the intent of House Bill 7465 does not lead to the same outcome as Massachusetts. This issue brief, for your consideration, is a basic analysis of the Massachusetts' system, since this legislation is largely modeled after their statutory scheme.

- Insurance companies appreciate, support and understand the necessity for those funded by this potential surcharge on property insurance policies, but the rate of increase in this line item in Massachusetts, for which this bill is largely identical in structure, is unsustainable. Nevertheless, this will double taxed Rhode Islanders for the same services, first through their state and local taxes and then through their property insurance premiums.
- In the MA FY2026 budget, the legislature appropriated more than \$46 million to Fire Services. In 2001 the line item was \$2.1 million, adjusted for inflation the FY2001 figure becomes \$3.4 million. **This represents a more than 20-fold increase to the line item since 2001.**
 - The MA FY2026 budget was a whopping 100% increase since 2010, even adjusted for inflation.
 - **If the same 20-fold increase occurs again in Massachusetts, as it did between 2001 and today, this line item will exceed \$900 million before 2052.**
- As drafted, insurers are expected annually to pay this assessment without any requirement for transparency as to how this money is being spent or the necessity of these arbitrary increases to the line item.
- Rhode Island-domiciled companies bear a heavier burden because they are subject to retaliatory taxes in other states where they do business, and in some cases are paying more to other states than will be collected in Rhode Island. This issue can be remediated by ensuring that this is a direct policyholder surcharge. Such a method will also help constrain the potential for increases.

Finally, below is a visualization of the growth of the Fire Services Line Item in Massachusetts compared to both CPI and Home Insurance Premiums. At a time when affordability is top of mind is of utmost importance that the funding of Fire Services Training by insurers is done in a transparent manner and

legislatively protected against these types of increases, which are eventually passed on to policyholders through premium increases.



For the reasons set forth above, the Rhode Island Insurance Federation and National Association of Mutual Insurance Companies urge a cautious approach to House Bill 7465.

Respectfully submitted,

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