



April 24, 2025

House Judiciary Committee  
Chair Robert Craven  
Rhode Island State House  
Providence, RI 02903

Re: House 6106 – An Act Relating to Property – Insurance on Multi-Unit Dwellings – Tenant Relocation Insurance

Dear Chairman Craven:

The American Property Casualty Insurance Association (APCIA)<sup>1</sup> opposes H.6106 because it is unclear, duplicative, and will ultimately harm Rhode Island’s housing market. H.6106 would require property owners of multifamily units containing 12 or more units to purchase insurance covering temporary housing for tenants and residents for at least 30 days. The insurance would need to cover events typically outside the scope of this type of coverage, via the broadly defined “Act of God” section including a “flood, earthquake ... or other similar event...”

In several instances, the language added to the standard fire insurance policy in Section 27-5-3 does not align with the requirements stated in Section 34-43.1-1-2. It is unclear whether the additions to the standard form are supposed to include the temporary housing insurance requirement of 34-43.1-2 or be required in addition to it. If it’s the former, the two sections need to be clarified and aligned. If it’s the latter, the policy will be more expensive.

	<b>34-43.1-1-2 Statutory Requirements</b>	<b>27-5-3 Standard Fire Policy</b>
<b>Amount of coverage</b>	Minimum of 30 days rehousing	Maximum of \$10,000
<b>Who is covered?</b>	Tenants and residents	Tenants and lawful occupants
<b>What is covered?</b>	“Relocation and temporary housing”  Minimum requirements: <ul style="list-style-type: none"><li>• Relocation and temporary housing for at least 30 days</li><li>• Property storage</li></ul>	“Actual costs of relocation”  Included but not limited to: <ul style="list-style-type: none"><li>• Hotel room rental</li><li>• Security deposit and first month’s rent for a new rental unit</li><li>• Clothing replacement</li><li>• Furniture replacement</li><li>• Other reasonable costs and living expenses</li></ul>

<sup>1</sup> 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.

Setting aside the lack of clarity, property owner's insurance typically covers damage to the home or structure and personal liability. The latter is mandatory in Rhode Island, which became the first state in the country in 2022 to mandate that property owners must carry \$100,000 in liability coverage for injuries due to the owner's negligence.<sup>2</sup> These policies rarely, if ever, cover resident's property damage or rehousing costs. Even with this limited mandatory scope, Rhode Island is currently considered one of the most expensive landlord insurance states in the country.<sup>3</sup>

Insurance covering rehousing costs for tenants is currently available to Rhode Island residents in the form of renters insurance.<sup>4</sup> Renters insurance is optional but is sometimes mandated by property owners. While renters have many options for what this insurance can cover (and cost), many policies include some level of "Loss of Use" coverage.<sup>5</sup> But even amongst those options, it is unlikely that any policies would cover issues as broad as those included in the bill's "Act of God" definition. Notably, the vast majority of flood insurance is provided by the federal government, not property and casualty insurers, and earthquakes are also not typically covered.

The ultimate result of this bill will be to shift responsibility from renter's insurance to property owner's insurance. It would likely significantly increase the cost of the latter and those costs will be passed along to tenants, who will face higher rents and lose at least some of the flexibility they currently have to purchase renters' insurance covering damage to their property and rehousing costs to any degree they choose. Finally, this bill is also likely to have a disparate impact on renters in Rhode Island's more diverse urban areas where 12+ unit multifamily buildings make up a significantly higher proportion of the housing stock.

APCIA appreciates the opportunity to provide feedback on this bill. For the foregoing reasons we request that H.6106 be held for further study.

Very truly yours,



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<sup>2</sup> R.I. Gen. Laws § 34-18-22, [https://webserver.rilegislature.gov/Statutes/TITLE34/34-18/34-18-22\\_1.htm](https://webserver.rilegislature.gov/Statutes/TITLE34/34-18/34-18-22_1.htm)

<sup>3</sup> See e.g., <https://www.trustedchoice.com/l/rhode-island/landlord-insurance/>  
<https://www.steadily.com/blog/how-much-does-landlord-insurance-cost-in-each-state>

<sup>4</sup> See DBR Consumer Alert 2015-5 "For Rent: Protecting Your Belongings with Renters Insurance," <https://dbr.ri.gov/sites/g/files/xkgbur696/files/documents/divisions/insurance/consumers/ConsumerAlert2015-5.pdf>

<sup>5</sup> See e.g., <https://www.lemonade.com/renters/explained/does-renters-insurance-cover-hotel-stays/> - If your policy has Loss of Use coverage (which most standard policies do), it can cover the additional cost of comparable temporary housing—like a hotel or a short-term rental.