



1/28/2026

The Honorable Carol Hagan McEntee

Chairwoman, House Judiciary Committee
Rhode Island State House
82 Smith Street
Providence, RI 02903

Re: Support of H 7033

On behalf of Anchor Insurance LLC, we write to express our strong support for H7033, legislation that modernizes Rhode Island's statutory interest rate in civil actions.

Rhode Island's current 12% prejudgment interest rate is among the highest in the nation and no longer reflects modern economic conditions. While intended to compensate plaintiffs for the time value of money, the fixed rate often results in judgments being significantly inflated in cases that take years to resolve, frequently adding substantial interest well beyond the damages awarded by a court.

This structure has a direct and measurable impact on insurance costs across multiple industries. In areas such as liquor liability and other long tail claims, insurers must account not only for potential verdicts, but also for years of guaranteed 12% interest accrual, regardless of market conditions or litigation conduct. That artificially inflated exposure is passed on to policyholders through higher premiums, reduced coverage availability, and in some cases insurers choosing to limit or exit the Rhode Island market altogether.

H7033 provides a balanced and responsible reform by tying prejudgment and post-judgment interest to the market-based yield of United States Treasury bills. This approach continues to fairly compensate plaintiffs for delays in resolution. Importantly, the bill does not cap damages, limit liability, or restrict access to the courts. It simply ensures interest calculations are grounded in economic reality.

We respectfully urge your support for H7033 and appreciate your consideration of this important issue.

Sincerely,

Maria Jacobo
Director of Insurance Services
Anchor Insurance LLC