



1/28/26

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 the RI Hospitality Association, which represents restaurants, bars, hotels, and hospitality businesses across the state, I am writing to express our strong support for H7033, which modernizes Rhode Island's statutory interest rate in civil actions.

Rhode Island's current 12% prejudgment interest rate is among the highest in the country and no longer reflects today's economic or financial reality. While intended to compensate plaintiffs for the time value of money, the fixed rate instead significantly inflates judgments in cases that take years to resolve, often adding hundreds of thousands of dollars in interest on top of the damages awarded by a court.

This structure has a direct and measurable impact on the cost of liquor liability insurance. Under the current system, 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 inflated exposure is passed directly to hospitality businesses in the form of **higher premiums, reduced coverage availability, and, in some cases, insurers leaving the Rhode Island market altogether.**

H7033 provides a balanced and responsible solution by tying prejudgment and post-judgment interest to the market-based yield of U.S. Treasury bills. This reform continues to fairly compensate plaintiffs for delays in resolution while removing an artificial cost driver that disproportionately increases claim severity and insurance pricing. 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.

By reducing excessive and unpredictable interest accruals, H7033 would help stabilize the liquor liability insurance market, encourage earlier and more efficient case resolution, and relieve upward pressure on insurance costs for Rhode Island's hospitality businesses.

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

Sincerely,

Ryan Moot
Manager of Government Affairs

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