



## Rhode Island Insurance Federation

March 26, 2026

The Honorable Carol Hagan McEntee  
House Judiciary Committee  
Rhode Island State House, Room 205  
Providence, RI 02903  
Delivered via e-mail [HouseJudiciary@rilegislature.gov](mailto:HouseJudiciary@rilegislature.gov)

### **RE: Rhode Island Insurance Federation Statement in Opposition to House Bill 8051— RELATING TO COURTS AND CIVIL PROCEDURE -- PROCEDURE GENERALLY -- CAUSES OF ACTION**

Dear Chair McEntee:

The Rhode Island Insurance Federation submits this statement in opposition to House Bill 8051, which will toll the statute of limitations for causes of action arising out of business activities conducted in this state by a person or entity required to register with the secretary of state under title 7 ("corporations, associations, and partnerships") or § 6-1-1 but failing to do so, until such person or entity becomes duly registered or authorized to transact business in this state.

The Federation was recently formed to advocate for the property and casualty insurance industry in Rhode Island. Federation members write approximately 60 percent of the total property and casualty (P&C) insurance premiums in the state, and importantly over 60 percent of the homeowners insurance market. Federation members include most of the major P&C insurance companies doing business in the state, and every national P&C insurance trade association is a member of the Federation.

It is important to understand that House Bill 8051 is part of a larger package of bills that includes House Bills 7515, 7516, 7517, and 7521 (heard by the House Corporations Committee on February 11, 2026) and together would endanger the property insurance market in Rhode Island by creating vague legal standards for the property insurance claims settlement process and ease the burden to bring forward bad faith claims against insurers. This package of bills will significantly impact Rhode Island consumers, causing our policyholders to pay in premiums for property insurance, while infringing on the steps Rhode Island has taken to reduce fraudulent insurance claims.

Specific to House Bill 8051, this language is larger than just insurance and saddles the entire business community in Rhode Island with another regulatory burden. Relative to insurance companies, the Department of Business Regulation, as a national leader in insurance regulations, already requires much of the registration requirements to permit market entry, so this legislation would only duplicate insurer requirements, while forcing new requirements on the rest of the business of the community.

At its core, however, this bill is about easing access to the courts for the bad faith expansion under House Bill 7517. Under that legislation (which is impacted by House Bill 8051), Rhode Island would become a true outlier in not requiring a breach of contract to accuse an insurer of operating outside their duty of Good Faith and Fair Dealings. This will invite a flood of new cases from entrepreneurial attorneys, which will increase the cost of claims and thus increase premiums. Social inflation is already a large-scale concern to the price of insurance

products as the legal system abuses once seen in Florida and Georgia make their way to Rhode Island. In addition to the legislation not requiring a breach of contract, it also uses extraordinarily vague terms to define who can even investigate the claim. To that end, the language in the proposed 9-1-33(e) would likely ban important organizations like the National Insurance Crime Bureau from even being able to operate in the State of Rhode Island, which would be an unprecedented law for any state. Together this package of property insurance settlement practices bills are designed to be able to attach a bad faith claim to every property insurance lawsuit in Rhode Island, House Bill 8051 expedites such abuses practices.

Everything about this package, including House Bill 8051 appear to directly appeal to the legislature to change the case law which the Rhode Island Supreme Court decided just last year in two separate decisions.<sup>1&2</sup> In one case, the Supreme Court not only found in favor of the insurer but made sure to insert this footnote into their decision: *“Moreover, a review of court records yields dozens of pending cases in the Superior Court involving the plaintiff and a multitude of homeowners’ insurance companies. The plaintiff should beware of continually arguing inconsistent positions in litigation. See Gaumond v. Trinity Repertory Company, 909 A.2d 512, 520 (R.I. 2006) (“Judicial estoppel should be employed when a litigant is playing fast and loose with the courts, and when intentional self-contradiction is being used as a means of obtaining unfair advantage in a forum provided for suitors seeking justice.”) (quoting Patriot Cinemas, Inc. v. General Cinemas Corp., 834 F.2d 208, 212 (1st Cir. 1987)).”* Much like the Supreme Court, this legislature should promptly put this issue to bed by giving this entire package an indefinite postponement.

This package of bills is anti-insurer, anti-consumer, anti-public adjuster, and is designed to make a simple single mistake eligible for attorney fees and punitive damages and creates a system of regulation through litigation that will clog our courts. House Bill 8051 is a key piece of this larger package, and should not be analyzed in a vacuum.

For the above reasons, the Rhode Island Insurance Federation respectfully asks the House Judiciary Committee to indefinitely postpone action on House Bill 8051.

Respectfully submitted,



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Executive Director

Rhode Island Insurance Federation

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<sup>1</sup><https://law.justia.com/cases/rhode-island/supreme-court/2025/23-238.html>

<sup>2</sup> <https://www.courts.ri.gov/Opinions/Supreme-24-67.pdf>