



March 31, 2026

Senator Robert Britto
Chair, Senate Committee On Commerce
Rhode Island State House
Providence, RI 02903

Re: S.2011 – An Act Relating To Insurance – Casualty Insurance Generally – Limitations on Policy Cancellations and Renewals

Dear Mr. Chairman:

This statement in opposition to S.2011 is submitted by the American Property Casualty Insurance Association (APCIA).¹ S.2011 would make Rhode Island one of the only states in the country with notice requirements based on premium increases. This change is unnecessary as Rhode Island already requires enhanced notice for material policy changes and rate increases and it is likely to add administrative expenses for insurers that will ultimately be borne by customers. APCIA has started productive conversations with IIARI and the bill's sponsor to try to reach consensus and are hopeful we can reach a reasonable compromise.

Insurance is one of the most highly regulated industries and Rhode Island has some of the strictest standards in the country. Every single rate charged in Rhode Island is reviewed by analysts in the Department of Business Regulation as well as by contracted actuaries to assure that it is not excessive, inadequate or unfairly discriminatory.² Thanks to the work of the DBR, Rhode Island has a healthy and competitive property insurance market with 22 licensed insurers each writing more than 1% of the market.

Insurer Profits are Regulated.

Rhode Island insurers cannot charge rates that generate unreasonably high profits. Insurers seeking loss ratios of under 60% (meaning for every \$100 charged in premium they would be paying out less than \$60 to insureds) need to add additional explanation for how their product provides sufficient value and benefits for policyholders.³ The market reflects these requirements with a 58% homeowners loss ratio in 2023.⁴ This also means that 20% premium increases are exceedingly rare and likely indicate a major concern about the property.

¹ 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.

² See Section 27-44-5

³https://dbr.ri.gov/sites/g/files/xkgbur696/files/documents/divisions/insurance/property_casualty/PC_Rate_Rule_and_Form_Requirements_SERFF.pdf

⁴ <https://content.naic.org/sites/default/files/publication-msr-pb-property-casualty.pdf>

S.2011 Is Duplicative.

Rhode Island law already includes notice requirements for property insurance changes:

1. § 27-8-11 requires at least 30-days' notice for "material changes," defined as "coverage reductions, elimination or increased deductibles not made at the request of the insured." These items are all contractual changes that must be reviewed and approved by the Department.
2. § 27-6-8.1 requires at least 30-days' notice for policy renewals using a rating increase over 5%. The Department reviews and approves insurance rates, the estimated cost of a risk. These rates unless disapproved by the Department are then applied to individuals based on their personal circumstances and desired coverage to create a unique policy of insurance coverage for a defined premium amount.

S.2011 Will Add Costs Without Addressing Affordability Challenges.

Insurers know when they are making legally-defined "material changes," or seeking rating increases and thus can fulfill the attendant notice requirements. They would have to add additional checks to understand how such changes impact each individual's premium. Furthermore, said premium could change based on other factors such as consumer choice or the exposure (due to inflation), completely outside an insurer's control. Adding this procedural check would entail additional administrative expenses that will ultimately increase the cost of homeowners insurance.

The homeowner's insurance market in Rhode Island has become more expensive recently, largely due to external factors such as inflation, material and labor costs, and increasing frequency of natural disasters. It is possible that homeowners could face premium increases or in certain circumstances, find themselves needing to access the FAIR Plan (RIJRA⁵). However, because of the healthy regulated market Rhode Islander's enjoy today, even in those circumstances, shopping for new insurance is not a time consuming proposition.


Furthermore, increasing notice requirements would make Rhode Island an outlier. To the degree states regulate the timing of renewal notices⁶ only:

- Fourteen are premised on premium increases of varying amounts.
- Four require notice periods longer than 30 days.
- One, Georgia, requires more than 45 days notice.

Ultimately, the notice provision in this bill would add administrative expense to address a rare issue (20% premium increase) and a problem (30 days to find new insurance) that does not exist.

For these reasons, we urge you to hold S.2011 for further study and we will continue working with the sponsor and other stakeholders on potential compromise.

Very truly yours,



Jonathan Schreiber

Associate Vice President, State Government Relations, APCIA

⁵ <https://www.rijra.com/>

⁶ <https://uphelp.org/wp-content/uploads/2020/11/boggs-conditional-renewal-rules-by-state.pdf>

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