



**Department of Business Regulation  
Office of the Director**

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March 10, 2026

The Honorable Robert Britto  
Chairperson, Senate Committee on Commerce  
State House  
Providence, Rhode Island 02903

RE: S 2076 – AN ACT RELATING TO TOWNS AND CITIES – COUNCILS AND GOVERNING BODIES

Dear Chair Britto:

I write on behalf of the Department of Business Regulation (“DBR”) in support of S 2076. This bill would require corporations created under R.I. Gen. Laws §§ 45-5-20-20.2 to be regulated by the DBR, which would subject the Rhode Island Interlocal Risk Management Trust (“Interlocal Trust”) to regulation by DBR.

I support this legislation and believe that the Interlocal Trust should be subject to oversight as it is bearing risk on behalf of others. If this bill was enacted, I would regulate the Interlocal Trust as we regulate other insurers, to both ensure their solvency and to protect consumers. I believe that DBR could absorb the regulation of the Interlocal Trust without additional resources, and while the Interlocal Trust would be charged for some of our services, I do not believe it would not be cost prohibitive. I also note the House Bill 7723 proposes to prohibit defense costs from reducing liability insurance policy policies. DBR currently prohibits those clauses from virtually all liability insurance policies in Rhode Island (all but some niche professional liability policies). However, DBR believes that H 7723’s prohibition is primarily aimed at policies issued by the Interlocal Trust. Since the Interlocal is not subject to insurance laws, House Bill 7723 would not apply to them and would not prohibit the Interlocal from issuing polices where defense costs reduce liability limits.

We would be happy to meet with the Committee and/or sponsors to discuss this bill further. Please do not hesitate to contact me at Elizabeth.dwyer@dbr.ri.gov or 401.462.9615 (office) or 401.578.6653 (mobile) with any questions or for additional information.

Thank you for your consideration of our position on this proposed legislation.

Sincerely,

Elizabeth Kelleher Dwyer, Esq.  
Director, Department of Business Regulation

cc: Honorable Members of the Senate Committee on Commerce  
Honorable Gordon E. Rogers  
Kristen Silvia, Deputy Chief of Staff/Director of Legislation