



Rhode Island Insurance Federation

Via Email to SenateCommerce@rilegislature.gov

March 31, 2026

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

Rhode Island Insurance Federation Statement in Opposition to Senate Bill 2204

Dear Chair Britto:

The Rhode Island Insurance Federation submits this statement in opposition to Senate Bill 2204 which significantly amends the definition of “claimant” and provides a new definition for “insurance claim handling service.” Together these are designed to make Rhode Island look more like Florida in their pre-2023 reform era, where assignment of benefit abuses ran rampant and significantly deteriorated the property insurance market. It is important to note that this is part of a package by the advocates of the bill to upend the property insurance system in Rhode Island, including at least three other Senate bills. Together this package 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.

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.

Specific to Senate Bill 2204, the definition of “claimant” is of particular concern as it expressly names third parties and those with an assignment of benefits as a claimant with rights to settle an insurance claim. This is a dangerous precedent to pursue as illustrated by the path to property insurance reforms in Florida. Prior to 2023 the AOB abuses in Florida reached their peak, and the impact to the insurance market was blatantly obvious. Insurers were leaving the state, and the insurer of last resort was the largest insurer in the property insurance market in the state. In the three years since the reforms, the insurer of last resort has depopulated to under 400,000 policies (down from 1.3 million in 2023).

At its core, this bill is about easing access to the courts for the bad faith expansion under Senate Bill 2311 permitting these third parties or those with an assignment of benefits to sue insurers directly. Under that legislation (which is impacted by Senate Bill 2204), 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, Senate Bill 2204 helps expand such abusive practices to third parties and those with an assignment of benefits.

Everything about this package, including Senate Bill 2204 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.^{1&2} 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 adjustor, 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. Senate Bill 2204 provides the definitions necessary to make it 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 Senate Commerce Committee to indefinitely postpone action on Senate Bill 2204.

Respectfully submitted,



Christopher S. Stark

Executive Director

Rhode Island Insurance Federation

cstark@rhodeislandinsurancefederation.org

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

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