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March 31, 2026

Senate Commerce Committee
State of Rhode Island General Assembly
82 Smith Street, Providence, RI 02903

Chair Britto, Vice Chair Sosnowski and members of the Senate Commerce Committee,

My name is Elyse Schupak and I am a policy advocate with Public Citizen, a nonprofit consumer advocacy organization working to advance the public interest in government. I am testifying in support of Senate Bill 2646: the Rhode Island Insurance Market Protection Act.

The impacts of climate change are having significant destabilizing effects on property insurance markets in Rhode Island and across the country. In response to increasingly frequent, severe, and costly climate disasters, property insurers are raising rates at a rapid pace. Between 2021 and 2024, property insurance costs in Rhode Island increased by 20 percent, outpacing inflation by 7 percent.¹ Rising costs are creating financial strain for many homeowners and renters. Research from the Federal Reserve Bank of Dallas found that rising property insurance costs are driving up household indebtedness and increasing mortgage and credit card delinquencies.²

In some geographies, high quality private insurance is unavailable entirely as major insurers have stopped writing policies in many climate-vulnerable areas. Lack of insurance creates economic ripple effects for communities. Banks and other mortgage lenders require borrowers to purchase homeowners insurance, meaning the loss of insurance in a community can bring about the loss of other financial services. In a U.S. Senate hearing last year, Federal Reserve Chair Jerome Powell testified that as a result of escalating climate disasters, “If you fast forward 10 or 15 years, there will be regions of the country where you can’t get a mortgage, there won’t be ATMs, banks won’t have branches and things like that.”³

¹ Sharon Cornelissen et al., *Overburdened: The Dramatic Increase in Homeowners Insurance Premiums and its Impacts on American Homeowners*, The Consumer Federation of America (April 2025), <https://consumerfed.org/wp-content/uploads/2025/03/OverburdenedReport.pdf>.

² Shan Ge, Stephanie Johnson, and Nitzan Tzur-Ilan, *Climate Risk, Insurance Premiums, and the Effects on Mortgage and Credit Outcomes*, the Federal Reserve Bank of Dallas (Jan. 2025), <https://www.dallasfed.org/-/media/documents/research/papers/2025/wp2505.pdf>.

³ Claire Boston, *Powell predicts a time when mortgages will be impossible to get in parts of US*, Yahoo Finance (Feb. 15, 2025),

Despite the risks climate change poses to property insurance markets and the financial wellbeing of policyholders and communities, insurers continue to underwrite and invest in projects and activities that worsen the climate crisis. The largest U.S. insurers each collect upward of \$500 million in annual premiums from fossil fuel companies and through their aggregate \$9 trillion investment portfolios, insurers finance fossil fuel companies and other carbon-intensive industries.⁴

While homeowners and renters buckle under the pressure of rising insurance costs, property insurers are making record profits. In 2024, the industry took in \$25 billion in underwriting profit and \$164 billion in investment income.⁵ 2025 is expected to be another windfall year for the property insurance industry. S&P Global estimates insurers made nearly \$60 billion in underwriting profit last year.⁶

The Rhode Island Insurance Market Protection Act will address the role insurance companies play in worsening the climate crisis and financially straining households through rate increases and nonrenewals, all while making record profits. The bill will prohibit insurers from underwriting new fossil fuel projects and expanding fossil fuel investments; and will require insurers to phase out their existing fossil fuel underwriting and investments by 2035. The bill will also address insurer withdrawals—prohibiting insurers from leaving the state unless they can prove withdrawal is necessary to preserve their solvency or the insurer can identify replacement carriers for current policyholders.

Public Citizen urges the committee to pass Senate Bill 2646. Thank you for your time and attention to this issue.

Elyse Schupak
Policy Advocate
Public Citizen

<https://finance.yahoo.com/news/powell-predicts-a-time-when-mortgages-will-be-impossible-to-get-in-parts-of-us-190820841.html>.

⁴ Pollution Premiums, Insure our Future (Nov. 2023), <https://us.insure-our-future.com/wp-content/uploads/sites/3/2023/11/Insure-Our-Future-US-Scorecard-Briefing.pdf>; Michele Wong, U.S. Insurance Industry's Cash and Invested Assets Rise Over 5% to Close in on \$9 Trillion as of Year-End 2024, National Association of Insurance Commissioners (May 2025), <https://content.naic.org/sites/default/files/capital-markets-special-reports-asset-mix-ve2024.pdf>.

⁵ Kenny Stancil, Don't Let Home Insurers Fool You. They're More Profitable Than Ever, The Revolving Door Project (July 14, 2025), <https://therevolvingdoorproject.org/mapping-the-home-insurance-crisis-underwriting-profits/>.

⁶ Jean Eaglesham, The Uproar Over Affordability Is Coming for Insurers, The Wall Street Journal (Jan. 22, 2026), <https://www.wsj.com/finance/the-uproar-over-affordability-is-coming-for-insurers-3a85723a?>