

March 31, 2026

The Honorable Robert Britto
Chairman, Senate Commerce Committee
Rhode Island State House
Providence, Rhode Island 02908

RE: S-2646 – Relating to Insurance – Rhode Island Insurance Market Protection Act

Dear Chairman Britto:

On behalf of Rhode Island Energy, I write in **strong opposition** to S-2646 on account of the pronounced negative impacts this bill would have on Rhode Islanders and on the state's utility infrastructure.

In short, S-2646 aims to force participants in the Rhode Island insurance market to 1) cease insuring any assets that are related to fossil fuel production; 2) cease investing in and ultimately divest from any such fossil fuel assets; and 3) seek consent prior to withdrawing from the Rhode Island insurance market. **This legislation would shrink Rhode Island's insurance market, reduce competition, and limit consumer choice while driving higher premiums and more restrictive underwriting. It would also jeopardize Rhode Island Energy's access to private capital, impair its ability to insure vital energy infrastructure assets, and hamper continued investments that are necessary to maintain reliability and control costs.**

The basis of our opposition, critically, is that the legislation, as drafted, could be read to prohibit insurers from insuring or investing in utility assets in Rhode Island. The term "fossil fuel project" is defined in the bill to include, among other things, "distribution infrastructure" related to fossil fuel and "power manufacturing." At a minimum, the distribution of natural gas, which provides heat to a significant number of Rhode Island households, would appear to be prohibited by the bill. This means that Rhode Island Energy would be, for all practical purposes, unable to insure its natural gas distribution assets and would be unable to seek investment from any insurance company with any investments in or insurance of any of the multitude of "fossil fuel projects" identified in the bill.

Rhode Island Energy's ability to access private investment capital and financing is critical to its operations. It is that capital which enables the Company to invest in a safer, more reliable and resilient electric grid and natural gas distribution network, facilitate economy-wide decarbonization, and recover from major storm events, such as February's record-setting blizzard. Insurance companies are major players in the corporate debt market and, without access to this capital, cost of capital will increase. Those costs are ultimately borne by Rhode Island ratepayers.

Furthermore, without the ability to insure its utility assets, Rhode Island Energy would be forced to self-insure against a multitude of risks. Again, the impact of this change would be the need to either pass these costs on to ratepayers or to incur more debt – debt that, per the above, would be much more expensive because the size of the investment market would be materially diminished without the participation of institutional insurance companies.

These systemic issues with the proposed legislation are not limited just to Rhode Island Energy – the increased costs and risks borne by owners of assets tied to the aforementioned "fossil fuel projects" will be similarly unable to access capital and insurance markets. Take, for example, the owner of a power plant supplying Rhode Island with electric generation. The owner of that plant would now be forced to incur additional insurance costs and additional cost of capital – costs that would be reflected in further increased energy prices at a time when energy affordability is a priority for so many Rhode Islanders.

Ironically, the proposed bill states that “mak[ing] sure households are able to maintain affordable property insurance...” is one of the motivations for the bill. However, the structural issues with the legislation outlined above would, in our opinion, increase energy costs for Rhode Islanders while also raising insurance rates by increasing compliance costs for insurance companies.

Finally, the serious Constitutional issues raised by the proposed legislation cannot be ignored. Limiting the investment and activities of insurance companies across the country as a condition of participation in the Rhode Island market would clearly burden interstate commerce and conflict with existing regulatory frameworks. Moreover, leaving key concepts and obligations undefined and left to agency action raises due process concerns.

Rhode Island Energy feels strongly that this legislation would have an adverse effect on its ability to provide safe, affordable, and reliable energy for its customers. We respectfully urge the Committee to oppose this bill in its entirety.

Thank you for your consideration.

Respectfully,



Nicholas S. Ucci
Director of Government Affairs

CC: The Honorable Members of the Senate Commerce Committee
The Honorable Dawn Euer, Rhode Island Senate