



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

RE: Senate Bill 2770— An Act Relating to Insurance – Unfair Claims Settlement Practices Act

Dear Chair Britto:

The Rhode Island Insurance Federation submits this statement regarding Senate Bill 2770, which would characterize the failure of a homeowner's insurance policy to use matching principle in its interpretation of replacement cost coverage in its homeowner's insurance policy, as an unfair claim settlement practice. The result would be matching the damaged part of the property to the undamaged part to restore the property to its condition, prior to the loss, resulting in a uniform appearance.

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.

Senate Bill 2770 is unnecessary as it is already the law in Rhode Island. DBR already used the authority granted by Section 27-9.1-4 of the General Laws to promulgate 230 R.I. Code R. 230-RICR-20-40-2.9. The regulations text is as follows:

A. Replacement Cost

1. When the insurance policy provides for the adjustment and settlement of first party claimant losses based on replacement cost, the following shall apply:

a. When a loss requires repair or replacement of an item or part, any

consequential physical damage incurred in making such repair or replacement not otherwise excluded by the policy, shall be included in the loss. The first party claimant shall not have to pay for betterment nor any other cost except for the applicable deductible.

b. When a loss requires replacement of items and the replaced items do not match in quality, color or size, the insurer shall replace all such items so as to conform to a reasonably uniform appearance. This applies to interior and exterior losses. The first party claimant shall not bear any cost over the applicable deductible, if any.

B. Actual Cash Value

1. When the insurance policy provides for the adjustment and settlement of losses on an actual cash value basis on residential fire and extended coverage, the Insurer shall determine actual cash value as follows: replacement cost of property at time of loss less depreciation, if any. Upon the first party claimant's request, the insurer shall provide a copy of the claim file worksheet(s) detailing any and all deductions for depreciation.

2. In cases in which the first party claimant's interest is limited because the property has nominal or no economic value, or a value disproportionate to replacement cost less depreciation, the determination of actual cash value as set forth above is not required. In such cases, the insurer shall provide, upon the first party claimant's request, a written explanation of the basis for limiting the amount of recovery along the amount payable under the policy.

Thank you for the opportunity to offer the Federation's perspective on this unnecessary legislation.

Respectfully submitted,



Christopher S. Stark

Executive Director

Rhode Island Insurance Federation

cstark@rhodeislandinsurancefederation.org