



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

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March 31, 2026

The Honorable Matthew L. LaMountain
Chair, Senate Committee on Judiciary
Rhode Island State House
Providence, Rhode Island 02903

RE: S 2771 -- RELATING TO INSURANCE – DOMESTIC INSURANCE COMPANIES

Dear Chair Britto:

DBR submits this letter to flag concerns with S2711. This bill would require that insurers respond to an insurance claim within thirty (30) days of receipt, and if an insurer failed to adhere to that timeline, then the bill expands DBR's authority to hold a hearing and issue fines to the insurer for \$250 a day, and then make the penalty payable to the consumer.

Currently, Rhode Island has adopted the National Association of Insurance Commissioners' (NAIC) unfair claims practice model act (R.I. Gen. Laws Chapter 27-9.1) and the NAIC Unfair Property/Casualty Claims Settlement Practices (230-RICR-20-40-2) that address standardized times for insurers to respond to claims. The statute already requires insurers to respond to a claim within thirty (30) days, unless the insured agrees to a longer period. R.I. Gen. Laws § 27-9.1-4(a)(15). The regulation lays out times in-which insurers shall respond to claims, and requires insurers to keep claimants informed of their ongoing claims. Those are national standards that make Rhode Island an easy state for companies to do business in, lowering barriers to entry. Occasionally, DBR learns that insurers failed to adhere to those standards as a pattern or practice, and in those instances, DBR has taken action against the insurers.

This bill would create a new and unique standard, where failure to adhere to the standard would be subjected to almost a private right of action. But it wouldn't be the court adjudicating the failures, it would be DBR. But DBR is hesitant to become an adjudicator like that because of separation of powers and due process principles. We do not adjudicate consumer contractual and/or express or implied merchantability or habitability warranty claims or claims for monetary damages, specific performance, or equitable remedies. That is a function of the Courts. Asking DBR to do that in this legislation would likely invite legal challenges.

Further, this bill is drafted as to only impact domestic insurance companies, such as Amica Mutual and Providence Mutual Fire. But it would not impact any of the non-domestic insurers that you might regularly see on television advertisements.

Rhode Island consumers are already experiencing premium increases adversely affecting affordability of insurance. This bill could exacerbate those issues and add availability issues to the market. As a result, passage of this statute could have a serious adverse impact on the economic development of the state.

Sincerely,

Director
Department of Business Regulation
elizabeth.dwyer@dbri.gov

cc: Honorable Members of the Senate Committee on Judiciary
Honorable Peter A. Appollonio, Jr.
Kristen Silvia, Deputy Chief of Staff/Director of Legislation