



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 on Senate Bill 2771

Dear Chair Britto:

The Rhode Island Insurance Federation submits this statement regarding Senate Bill 2771 which requires insurance companies to settle claims or request additional information within thirty (30) days of receipt of a notice of claim filed by an insured party. Failure to comply would result in a penalty of two hundred fifty (\$250) dollars per day, payable to the insured. This bill is unnecessary and may be in conflict with significant portions of the Standard Fire Policy under R.I. Gen. Laws § 27-5-3.

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.

The claims process is contemplated by R.I. Gen. Laws § 27-5-3, and the relevant portion reads as follows:

Requirements in case loss occurs. The insured shall give immediate written notice to this company of any loss, protect the property from further damage, forthwith separate the damaged and undamaged personal property, put it in the best possible order, furnish a complete inventory of the destroyed, damaged, and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed; **and within sixty days after the loss, unless such time is extended in writing by this company, the insured shall render to this company a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following:** the time and origin of the loss, the interest of the insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of the property, any changes in the title, use, occupation, location, possession, or exposures of the property since the issuing of this policy, and by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss and whether or not it then stood on leased ground, and shall furnish a copy of all the descriptions and schedules in all

policies and, if required, verified plans and specifications of any building, fixtures, or machinery destroyed or damaged.

Appraisal. In case the insured and this company shall fail to agree as to the actual cash value or the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected **within twenty days of that demand**. The appraisers shall first select a competent and disinterested umpire; and failing for fifteen days to agree upon the umpire, then, on request of the insured or this company, the umpire shall be selected by a judge of a court of record in the state in which the property covered is located. The appraisers shall then appraise the loss, stating separately actual cash value and loss to each item; and, failing to agree, shall submit their differences only to the umpire. An award in writing, so itemized, of any two when filed with this company shall determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting him or her and the expenses of appraisal and the umpire shall be paid by the parties equally.

Company's options. It shall be optional with this company to take all, or any part, of the property at the agreed or appraised value, and also to repair, rebuild, or replace the property destroyed or damaged with another of like kind and quality within a reasonable time, on giving notice of its intention so to do **within thirty days after the receipt of the proof of the loss herein required**.

Regarding the bolded portions above Senate Bill 2771 does not follow the "proof of loss" process above, rather may be interpreted to preempt it, since Senate Bill 2771 states that it is 30 days from a "notice of claim." An insured could very likely call their insurer the day after a catastrophe to provide notice of a claim, but the policyholder still has 60 days to provide the proof of loss statement. This bill could negatively impact policyholders by not giving them the time to adequately log all damage on their "proof of loss" statement.

The standard fire policy already requires the 30-day rule after proof of loss, as I believe this legislation intends, and therefore we should not insert a potentially contradictory standard into the statute.

The Federation appreciates the opportunity to highlight how the current statutory scheme provides consumer protections in a more expansive manner than Senate Bill 2771.

Respectfully submitted,



Christopher S. Stark

Executive Director

Rhode Island Insurance Federation

cstark@rhodeislandinsurancefederation.org