



## Rhode Island Insurance Federation

Via Email to [SLegislation@rilegislature.gov](mailto:SLegislation@rilegislature.gov)

March 12, 2026

Senator Jacob Bissaillon  
Chair, Senate Housing and Municipal Government Committee  
Rhode Island State House  
Providence, RI 02903

RE: Senate Bill 2261 — Amending Rhode Island's standard fire insurance policy by codifying uniform, transparent appraisal procedures and payment obligations that reflect contemporary claim-handling practices while preserving long-standing consumer protections. –Statement in Opposition

Dear Chair Bissaillon:

The Rhode Island Insurance Federation submits this statement in opposition to Senate Bill 2261, which amends Rhode Island's standard fire insurance policy by codifying uniform, transparent appraisal procedures and payment obligations that reflect contemporary claim-handling practices while preserving long-standing consumer protections. It is important to note that this is part of a package by the advocates of the bill to upend the property insurance system in Rhode Island, including at least three other Senate bills. Together this package would endanger the property insurance market in Rhode Island by creating vague legal standards for the property insurance claims settlement process and ease the burden to bring forward bad faith claims against insurers.

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.

Specific to this bill, Senate Bill 2261 amends the “Standard Fire Policy” in statute, which traces its origins to a 1923 Rhode Island law that was based off a 1918 New York law. The point of such standard language is to promote clear contractual language that protects property owners against covered losses. Of some of the more egregious issues presented in this legislation are 1) requiring that the examination under oath be performed via written questions, which will inhibit fraud investigations; 2) inserting the idea of the umpire appraisal system for auto insurance into the property insurance space, which has proven unworkable for auto damage claims and has

undergone multiple legislative amendments since originally implemented; 3) excluding the appropriate use of Rhode Island's licensed adjustor community in the proposed "umpire" system; and 4) extending the statute of limitations for non-fire claims to 10 years, which opens the door for claims that otherwise may have been appropriately denied to be paid out. This bill alone is an affront to efforts to maintain stability in the market and promote the affordability and availability of these important asset protection products.

Regarding the appraisal clause in Senate Bill 2261, nineteen states have appraisal clauses similar to our current statutory scheme, and none have established anything similar to the lengthy process proposed by this bill. It is important that Rhode Island not become an outlier in this space, as these costs will likely be passed on to consumers, who already face the cost pressures on property insurance caused by climate change, legal system abuse, and inflation.

Everything about the larger package of bills, including Senate Bill 2261 appear to directly appeal to the legislature to change the case law which the Rhode Island Supreme Court decided just last year in two separate decisions.<sup>1&2</sup> In one case, the Supreme Court not only found in favor of the insurer but made sure to insert this footnote into their decision: *"Moreover, a review of court records yields dozens of pending cases in the Superior Court involving the plaintiff and a multitude of homeowners' insurance companies. The plaintiff should beware of continually arguing inconsistent positions in litigation. See Gaumont v. Trinity Repertory Company, 909 A.2d 512, 520 (R.I. 2006) ("Judicial estoppel should be employed when a litigant is playing fast and loose with the courts, and when intentional self-contradiction is being used as a means of obtaining unfair advantage in a forum provided for suitors seeking justice.") (quoting Patriot Cinemas, Inc. v. General Cinemas Corp., 834 F.2d 208, 212 (1st Cir. 1987))."*

Much like the Supreme Court, this legislature should promptly put this issue to bed by giving Senate Bill 2261 and this entire package an indefinite postponement.

Thank you for the opportunity to offer the Federation's concerns on behalf of our members and Rhode Island's policyholders.

Respectfully submitted,



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<sup>1</sup><https://law.justia.com/cases/rhode-island/supreme-court/2025/23-238.html>

<sup>2</sup> <https://www.courts.ri.gov/Opinions/Supreme-24-67.pdf>