



March 3, 2026

Senator Matthew LaMountain
Chair, Senate Judiciary Committee
Rhode Island State House
Providence, RI 02903

Re: Senate 2633 – AN ACT RELATING TO INSURANCE -- LIABILITY INSURANCE --
UNINSURED MOTORIST COVERAGE

Dear Chair LaMountain:

The American Property Casualty Insurance Association (APCIA)¹ has concerns about S.2633. This bill adds property damage to the list of expenses triggering underinsurance coverage and introduces significant uncertainty in the law. **At a minimum, increasing the frequency of invoking certain coverages will increase costs for Rhode Islanders and its possible this bill would entail more significant costs.**

Existing law, 27-7-2.1, requires all auto policies in Rhode Island to provide uninsured/underinsured bodily injury coverage² and to offer uninsured property damage coverage. Uninsured property damage coverage can only be rejected by written attestation unless purchasing collision coverage (because, as explained further below, these coverages largely overlap). The definition of “underinsurance” revised by S.2633 is according to statute, “included,” within the term “uninsured motorist.”

The term “uninsured motorist” is defined only in terms of bodily injury for good reason – because it is part of mandatory bodily injury coverage. Spelled out further, consider these circumstances:

- Under existing law if you collide with a person who does not have sufficient bodily injury coverage to cover your bodily injury expenses, your mandated underinsured motorist bodily injury coverage kicks in.
- Under the bill, if you collide with a person who causes you property damage beyond the limits of their policy What happens? There is no required third-party property damage coverage. Does this require purchasing a new type of coverage? Is this somehow supposed to expand bodily injury coverage?

¹ Representing 67% of the U.S. property casualty insurance market, APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe. Several APCIA members are located in Rhode Island and many more do business here. APCIA members are integral to the state of Rhode Island. They write 76% of the property casualty insurance sold in this state. The P&C insurance industry employs over 3,200 Rhode Islanders, provides annual assistance of \$1.5 billion in claim payments to help customers in the state, and contributes over \$160 million annually to the state in premium taxes.

² Subject to a singular exception – insureds purchasing the minimum compulsory coverage can reduce this mandatory coverage to \$0 if they complete a DBR-mandated form.

As a result, it is unclear what exactly this law will do. At a minimum, it will increase the number of claims that qualify for some type of underinsurance coverage. Depending on interpretation, it could have more significant impacts such as:

- adding underinsured property damage to the existing mandatory uninsured/underinsured motorist bodily injury offering³; or
- requiring separate underinsured property damage coverage as part of uninsured motorist bodily injury coverage.

Any of these outcomes will increase costs and thus expenses for Rhode Islanders. While it's hard to quantify costs without a clearer understanding of the bill, a rough cost estimate is \$28 per policy for mandatory underinsurance property damage coverage. While we are still attempting to understand the rarity of this proposal, this cost estimate is based on the only two states we are aware of that seem to have some form of this coverage (South Carolina and West Virginia) although theirs is optional rather than mandatory.

Adding to the puzzling nature of this bill, insurers are already required to offer uninsured motorist property damage coverage in Rhode Island. Few consumers take them up on that offer. That's because the law also permits (as noted above) collision coverage, which operates as a superior alternative because it can apply to cover both underinsurance property damage and more broadly. Underinsured property damage is limited in use to situations where another driver is involved and they lack sufficient insurance to cover damage to the insured's property. Collision coverage would apply regardless of the other driver's insurance status or in cases where a driver collides with something other than another driver, such as a fence or tree.

Furthermore, this bill also seems likely to result in duplicative coverages. For example, a consumer who purchases both collision and uninsured motorist property damage coverage could essentially be paying twice for coverage of the same thing and would be less likely to need both coverages in most circumstances. **Duplicative coverage again means higher costs for Rhode Islander's.**

For the reasons stated herein, APCIA requests that the committee hold S.2633 for further study. At a minimum, this bill and the existing law would need significant redrafting to clarify confusion. Please reach out if you would like to discuss this issue further.

Very truly yours,



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³ Under 230-RICR20-05-1.4, insurers are currently required to offer at least \$25,000 in uninsured motorist property damage coverage