



VIA Email: HouseCorporations@rilegislature.gov

February 14, 2024

Representative Joseph J. Solomon, Jr.
Chair, House Committee On Corporations
Rhode Island State House
Providence, RI 02903

Re: House 7287 – An Act Relating To Insurance – Unfair Claims Settlement Practices Act

Dear Chair Solomon:

This statement in support of H.7287 is submitted by the American Property Casualty Insurance Association (APCIA).¹

The bill amends several subsections in the Unfair Claims Settlement Practices Act (Section 27-9.1-4) to clarify the definitions of unfair claims practices pertaining to insurers with regard to appraisals and total losses. It also corrects a citation regarding salvage and reconstructed titles.

This bill amends subsection (23) by changing the appraisal threshold amount from the current \$2500 to \$5000. The General Assembly doubled the auto insurance surcharge threshold from \$1500 to \$3000 in 2019 and this bill does the same to the appraisal threshold. \$5000 is also under the size of the average claim (\$6100), but just about the same as the average collision repair bill (\$5003) in the state. It would also allow insurers to focus time and resources on larger claims.

This bill amends subsection (24) to set the timeframe for the performance of an initial appraisal at four days instead of the current three. This is the timeframe for the performance of a supplemental appraisal and there is no reason why they should differ. This is simply an attempt to provide some simplifications and consistency in order to prevent confusion and mistakes.

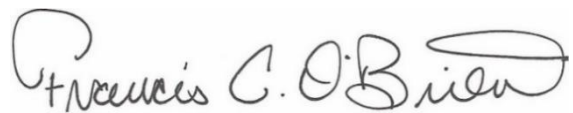
¹ Representing nearly 65% of the U.S. property casualty insurance market, APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA 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. Together, APCIA members write over 75% of auto insurance sold in the state.

The proposed change in subsection (25) is likely to engender opposition. It expands the universe of nationally recognized compilations of vehicle values to those also used by the insurance industry. This would allow products from vendors other than Kelly Blue Book and NADA to be used. In the years since the law was changed to restrict the universe of nationally recognized compilations of vehicle values to those commonly used by the automotive industry, no other provider has been successful in meeting this criteria. APCIA believes that insurers and consumer as a whole by providing a wider range of values to choose from.

The second change in this subsection corrects a citation error. Nothing more.

APCIA appreciates the opportunity to provide its comments in support of the bill.

Very truly yours,

A handwritten signature in cursive script that reads "Francis C. O'Brien". The signature is written in black ink and is positioned above the typed name.

Francis C. O'Brien
Vice President, State Gov't. Relations