



Rhode Island Insurance Federation

Via Email to HouseCorporations@rilegislature.gov

March 25, 2025

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

RE: House Bill 5333 – An Act Relating to Insurance-Limitations on Policy Cancellations and Renewals—
Statement in Opposition

Dear Chair Solomon:

The Rhode Island Insurance Federation submits this statement in opposition to House Bill 5333, which requires homeowner's insurance providers to provide two months' notice before increasing any policy more than 20%; and caps rate increases for policyholders that are 65 years of age or older and meet certain income limits.

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 casualty insurance premiums in the state, and importantly over 60 percent of the homeowners insurance market. Federation members include most of the major property-casualty insurance companies doing business in the state, and every national P&C insurance trade association is a member of the Federation.

There are several states across the country that are facing a large-scale of non-renewals and even companies leaving certain markets, but Rhode Island is not facing the same level of crisis. The homeowners' insurance market in Rhode Island remains generally stable, though admittedly costs are increasing for residents of Rhode Island similar to those in other states from the impacts of legal system abuse, inflation, reinsurance costs, supply chain issues, and climate change. Under the current regulatory scheme, insurers must provide notice to policyholders at least 30 days prior to a non-renewal of their policy. This timeframe allows individuals the time necessary to shop around for new coverage or to work with their carrier to address the issues that are causing the non-renewal. There is no need to bifurcate notices based on the premium increase of their policies.

House Bill 5333 also inserts caps on rate increases for policyholders aged 65 and older with certain income limits. This type of restriction does not consider any changes in the person's risk profile that may become evident despite their age. Such risk profile changes can include failure to maintain the property, improper maintenance of sidewalks and other liability risks, shifts in weather-related risks, or any number of other variables that may change regardless of age.

All premium and rating variables are already approved by the Department of Business Regulation and recognize the actuarially sound principles used by companies to underwrite and price the risk of a policy. Additionally, as discussed above, the insurance market in our state is both stable and competitive, and on behalf of the larger industry the Federation urges any policyholder that receives what they believe to be an excessive increase in their homeowners' premium to shop for better rates and work with their agents to make the necessary improvements to their property.

To insert an arbitrary cap on these policies will also require insurers to collect more data on an applicant's income and compare that to the RI Housing publications on low- and moderate-income households. This combination of restrictions in rating will likely lead to further subsidization by others in the market that are younger than 65, whether they are low- and moderate-income individuals or not. As we continue through a period of premium increases necessary to match risks with rate, it is not the time for all other homeowners to pay more for this product in order to offer a premium that is not based on the actuarial risk to others.

For the reasons set forth above, the Federation opposes House Bill 5333.

Respectfully submitted,



Christopher S. Stark

Executive Director

Rhode Island Insurance Federation

cstark@rhodeislandinsurancefederation.org

(617) 356-2644 (cell)