



March 25, 2025

The Honorable Joseph J. Solomon, Jr., Chairman  
House Corporations Committee  
State House  
Providence, RI 02903

Re: H.5812, An Act Relating to Insurance – Liability Insurance  
H.6053, An Act Relating to Insurance – Unfair Claims Settlement Practices Act  
H.6079, An Act Relating to Insurance – Liability Insurance – Rental Vehicle Surcharge

Dear Chairman Solomon,

The undersigned members of the Rhode Island Business Coalition are writing in opposition to the above-referenced bills that would result in higher insurance premiums for businesses in Rhode Island.

As you may be aware, insurance costs in Rhode Island are already among the highest in the nation. According to the National Association of Insurance Commissioners (NAIC), in 2022, Rhode Island was the fourth most expensive state in the country for automobile insurance. NAIC data shows the average cost of commercial insurance premiums in Rhode Island is approximately 20% higher than the national average. Small businesses in particular are feeling the strain, with many reporting challenges obtaining affordable coverage for general liability, and property insurance.

Rhode Island's business climate is already ranked among the least favorable in the country for economic competitiveness, according to the Tax Foundation's 2024 rankings. Higher insurance costs contribute to the challenges our state's businesses have in competing with employers in neighboring states and drive companies to consider relocation to more affordable regions.

The proposed legislation will only exacerbate this issue by increasing insurance premiums even further. At a time when small businesses are already facing rising operational costs, increased premiums would divert resources away from expansion, employee compensation, and other investments that grow our state's economy.

The Rhode Island Business Coalition represents 50 industries and 6,280 businesses that employ 231,200 people throughout Rhode Island.

We request the Committee not act on these bills. It is important that we protect consumers and business owners while promoting a more competitive and cost-effective business environment in Rhode Island.

Thank you for your consideration of our position on these bills. We look forward to working together to find a solution that benefits both the insurance market and the broader Rhode Island business community.

Sincerely,

East Greenwich Chamber of Commerce

Greater Newport Chamber of Commerce

Rhode Island Lumber and Building Materials Dealers Association

Rhode Island Manufacturers Association

Rhode Island Staffing Association

Small Business Economic Summit Regulations Committee

Small Business Economic Summit Tax and Budget Committee

cc. House Corporations Committee members