

2026 -- S 2769

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

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A N A C T

RELATING TO INSURANCE -- FIRE INSURANCE POLICIES AND RESERVES

Introduced By: Senators Thompson, and Murray

Date Introduced: March 04, 2026

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 27-5 of the General Laws entitled "Fire Insurance Policies and
2 Reserves" is hereby amended by adding thereto the following section:

3 **27-5-3.10. Minimum limitations standards for structural property claims --**
4 **Disclosures -- Void contractual shortening -- Claim closure restrictions.**

5 (a) Applicability. This section applies to any claim, including claims asserted by an insured,
6 claimant, beneficiary, or assignee, for loss of or damage to real property, structures, buildings,
7 dwelling, improvements to real property, or any part thereof, arising under any property insurance
8 policy issued, delivered, renewed, or in effect in this state, including surplus lines policies.

9 (b) Minimum limitations standards; voidness. No policy provision, endorsement,
10 condition, limitation, agreement, discount, premium credit, or other consideration shall shorten the
11 time within which an insured, beneficiary, claimant, or assignee may pursue benefits, invoke
12 appraisal, or commence an action or otherwise assert a right to payment or performance, including
13 any right to supplemental payment, reopened claim benefits, or additional benefits for the same
14 occurrence, to recover amounts due, to less than the minimum limitations standards established by
15 this section and §§ 27-5-3, 27-5-9.1, and 9-1-13(a), as applicable. Any such provision or attempt is
16 void and unenforceable as against public policy.

17 (c) Fire or lightning claims. Claims caused by fire or lightning shall not be limited to a
18 period shorter than twenty-four (24) months next after inception of the loss as provided in § 27-5-
19 3. For purposes of this subsection, "inception of the loss" means the first day on which direct

1 physical damage caused by fire or lightning was discovered or reasonably should have been
2 discovered.

3 (d) All other structural property damage claims. For any claim for loss of or damage to real
4 property, structures, buildings, dwellings, or improvements to real property arising from any peril
5 or cause other than fire or lightning, the minimum limitations period shall be ten (10) years next
6 after inception of the loss, consistent with § 9-1-13(a), unless a shorter limitations period is
7 expressly provided by statute. For progressive, hidden, or intermittent damage, “inception of the
8 loss” means the first day on which the direct physical damage was discovered or in the exercise of
9 reasonable diligence should have been discovered.

10 (e) Payments; claim closure; restrictive legends prohibited. No insurer, and no person or
11 entity acting directly or indirectly on behalf of or at the direction of an insurer, shall state, imply,
12 or represent that a claim is closed, satisfied, settled in full, paid in full, or otherwise extinguished,
13 or that any right or benefit is waived, by reason of including, but not limited to, any payment, partial
14 payment, claim-file status designation, internal notation, payment instrument legend, restrictive
15 endorsement, or other unilateral act, absent a formal written release executed pursuant to chapter
16 9.1 of title 27 (“unfair claims settlement practices act”) and executed by the claimant or insured,
17 witnessed by at least one disinterested adult witness, and notarized by a notary who is not an
18 employee, agent, adjuster, or vendor of the insurer.

19 (f) Neglect; resulting damage. Nothing in this section shall relieve an insurer of liability
20 for direct physical damage proximately caused by a covered peril; however, an insurer may deny
21 coverage only for additional or resulting damage, and only to the extent proven to have been caused
22 by the claimant’s neglect in failing to take reasonable and necessary precautions to protect the
23 property from further damage after the claimant knew or reasonably should have known of the
24 damage.

25 (g) Required disclosures. The director of business regulation shall require that every insurer
26 providing coverage for structural property damage claims in this state, including surplus lines
27 carriers, provide written notice to the insured or claimant that accurately states the applicable
28 minimum limitations standards under this section and §§ 27-5-3 and 9-1-13(a), as applicable, and
29 that issuance, acceptance, endorsement, negotiation, or deposit of any payment does not constitute
30 full and final settlement absent a formal written release executed in strict compliance with chapter
31 9.1 of title 27 (“unfair claims settlement practices act”), if enacted. The notice shall be provided at
32 first notice of loss and again with any payment issued.

33 (h) Department of business regulation form approval. The director of the department of
34 business regulation shall not approve, and shall withdraw approval of, any form, endorsement,

1 condition, limitation, or claims-handling notice for any policy providing coverage on any dwelling,
2 residential structure, or commercial structure in this state that contains any provision inconsistent
3 with this section.

4 (i) Enforcement; cumulative remedies. A violation of this section, or any attempt to
5 circumvent this section, including through any third-party administrator, vendor, independent
6 adjuster, consultant, engineer, or other intermediary, shall constitute an unfair or deceptive act or
7 practice and an unfair claims settlement practice, enforceable by the department of business
8 regulation, the attorney general, and any private party as otherwise provided by law, including
9 under chapter 13.1 of title 6 (“deceptive trade practices”), chapter 9.1 of title 27 (“unfair claims
10 settlement practices act”), and § 9-1-33. The remedies for violations of this section are cumulative
11 and in addition to any other remedies available at law or in equity.

12 (j) Rules and regulations. The director of business regulation is authorized and directed to
13 promulgate rules and regulations to implement and enforce this section, including standardized
14 disclosure language, font size, and placement on declarations pages and claim communications.

15 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO INSURANCE -- FIRE INSURANCE POLICIES AND RESERVES

1 This act would establish minimum limitations standards for structural property damage
2 claims, and would void any policy provision, endorsement, condition, limitation, agreement, or
3 claim practice that shortens those standards. This act would further prohibit insurers and insurer-
4 affiliated claim handlers from treating any payment as a full settlement or claim closure absent a
5 formal written release and settlement agreement executed by the claimant or insured, and notarized,
6 consistent with chapter 9.1 of title 27 (“unfair claims settlement practices act”), and require clear
7 disclosures to insureds and claimants regarding applicable time limitations and claim rights.

8 This act would take effect upon passage.

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