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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N A C T

RELATING TO INSURANCE-CASUALTY INSURANCE GENERALLY-LIMITATIONS ON
POLICY CANCELLATIONS AND RENEWALS

Introduced By: Senators Gu, Britto, Sosnowski, Tikoian, Gallo, Kallman, Bell, DiMario,
and Mack

Date Introduced: January 23, 2025

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-8-11 of the General Laws in Chapter 27-8 entitled "Casualty
2 Insurance Generally" is hereby amended to read as follows:

3 **27-8-11. Regulations on cancellation and renewal.**

4 (a) In addition to, and not in lieu of, any other power the commissioner has to issue rules
5 and regulations, the commissioner of insurance may promulgate, in accordance with the procedure
6 established in chapter 35 of title 42, reasonable rules and regulations concerning cancellation and
7 renewal of liability and property damage insurance for automobiles rated as private passenger
8 automobiles, homeowners insurance, residential fire insurance, or any components thereof. Those
9 regulations may require that the insurer shall furnish to the named insured the reason, or reasons,
10 for cancellation or nonrenewal. Those regulations shall also require that the insurer furnish, at least
11 thirty (30) days prior to renewal, written notice of any coverage reductions, elimination, or
12 increased deductibles not made at the request of the insured. The notice shall itemize and describe
13 the policy coverage reductions, elimination, or increased deductibles and shall be captioned
14 "NOTICE OF REDUCTION IN COVERAGE". The policyholder shall be notified that the policy
15 renewal contains the "NOTICE OF REDUCTION IN COVERAGE" by one of the following
16 manners:

17 (1) By mailing the "NOTICE OF REDUCTION IN COVERAGE" separate from the
18 renewal policy package mailing; or

1 (2) By printing “NOTICE OF REDUCTION IN COVERAGE ENCLOSED” on the
2 renewal policy package envelope and including said reductions in the first few pages of the renewal
3 policy package; or

4 (3) By printing “NOTICE OF REDUCTION IN COVERAGE ENCLOSED” on the first
5 page of the renewal policy package; or

6 (4) If the renewal policy package is made available by email, the email notifying the
7 policyholder of the renewal shall contain a statement that the policy contains a “NOTICE OF
8 REDUCTION IN COVERAGE” and said reductions shall be in the first few pages of the renewal
9 policy package.

10 These coverage changes must be approved by the insurance division with respect to those
11 types of insurance defined in § 27-8-1(1) — (8), issued to non-business insured and bodily injury
12 and property damage liability coverage issued to non-business insured. There shall be no liability
13 on the part of, and no cause of action of any nature shall arise against, the commissioner of
14 insurance or any insurer, their authorized representatives, agents, or employees, or any firm, person,
15 or corporation furnishing to the insurer or commissioner information as to the reasons for
16 cancellation or nonrenewal; for any statement made by any of them in any written notice of
17 cancellation or nonrenewal; or in any other communication, oral or written, specifying the reasons
18 for cancellation or nonrenewal; or for the providing of information pertaining to the cancellation
19 or nonrenewal; or for statements made, or evidence submitted, at any hearing conducted in
20 connection with the cancellation or nonrenewal.

21 (b) The commissioner shall promulgate regulations with respect to personal motor vehicle
22 insurance, homeowners insurance, and residential fire insurance, or any components of that
23 insurance requiring notification to policyholders upon renewal of any coverage reductions,
24 elimination, or increased deductibles not at the request of the insured.

25 (c) Notwithstanding any law to the contrary, on and after September 1, 2025, any increase
26 of more than twenty percent (20%) in the cost of renewal of homeowner’s insurance shall require
27 two (2) months’ advance notice be provided by the insurer to the policyholder. If an insurer is
28 failing to renew a homeowner’s policy, the notice of non-renewal shall be delivered to the
29 policyholder no less than two (2) months in advance of the policy expiration.

30 (d) On and after September 1 2025, annual home owner policy renewal premium increases
31 shall be capped at a maximum of five (5%) percent for any policyholder who is sixty-five (65)
32 years of age or older and has household income equal to or less than the Rhode Island income limits
33 for low- and moderate-income households as published by RI Housing.

34 (e) Any violation of the provisions of this section shall constitute a deceptive trade practice

1 [in violation of chapter 13.1 of title 6, and each violation shall be punishable by a fine not to exceed](#)
2 [one thousand dollars \(\\$1,000\).](#)

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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1 This act would require homeowner's insurance providers to provide two months' notice
2 before increasing any policy renewal premium more than 20%. The act would also cap rate increases
3 for policy holders that are 65 years of age or older and meet certain low- or moderate-income limits.
4 A violation would constitute a deceptive trade practice punishable by a fine not to exceed one
5 thousand dollars (\$1,000).

6 This act would take effect upon passage.

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