

**2026 -- S 2261**

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LC003903

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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 Appollonio, Murray, and Thompson

Date Introduced: January 23, 2026

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

1        SECTION 1. Sections 27-5-3 and 27-5-9.1 of the General Laws in Chapter 27-5 entitled

2        "Fire Insurance Policies and Reserves" are hereby amended to read as follows:

3        **27-5-3. Form of standard policy.**

4        The form of the standard fire insurance policy of the state of Rhode Island, with permission  
5        to substitute for the word "company" or "companies" a more accurate descriptive term for the type  
6        of insurer, shall be as follows:

7        **No**

8        Space for insertion of name of company or companies issuing the policy and other matter  
9        permitted to be stated at the head of the policy.

10        Space for listing amounts of insurance, rates, and premiums for the basic coverages insured  
11        under the standard form of policy and for additional coverages or perils insured under endorsements  
12        attached.

13        In consideration of the provisions and stipulations herein or added hereto and of .....  
14        dollars premium this company, for the term of .....

15                from the ..... day of ....., 20 .....

16                to the ..... day of ....., 20 .....

17                at 12:01 a.m. standard time at location of property involved,

18        to an amount not exceeding ..... dollars, does insure, ..... and legal  
19        representatives, to the extent of the actual cash value of the property at the time of loss, but not

1 exceeding the amount which it would cost to repair or replace the property with material of like  
2 kind and quality within a reasonable time after a loss, without allowance for any increased cost of  
3 repair or reconstruction by reason of any ordinance or law regulating construction or repair, and  
4 without compensation for loss resulting from interruption of business or manufacture, nor in any  
5 event for more than the interest of the insured, against all direct loss by fire and lightning, and by  
6 removal from the premises endangered by the perils insured against in this policy, except as  
7 hereinafter provided, to the property described hereinafter while located or contained as described  
8 in this policy, or pro rata for five (5) days at each proper place to which any of the property shall  
9 necessarily be removed for preservation from the perils insured against in this policy, but not  
10 elsewhere.

11 Assignment of this policy shall not be valid except with the written consent of this  
12 company.

13 This policy is made and accepted subject to the foregoing provisions and stipulations and  
14 those hereinafter stated, which are hereby made a part of this policy, together with such other  
15 provisions, stipulations, and agreements as may be added hereto, as provided in this policy.

16 IN WITNESS WHEREOF, this company has executed and attested these presents;

17 at .....

18 .....  
19 Secretary President

20 In the event the domicile state of the company issuing the policy requires a Rhode Island company  
21 to have a countersignature affixed by a licensed resident agent to a policy issued in that state then  
22 in accordance with the provisions of § 27-2-17, the form of the standard fire insurance policy shall  
23 in lieu of the foregoing execution and attestation clause contain the following execution and  
24 attestation clause: IN WITNESS WHEREOF, this company has executed and attested these  
25 presents; but this policy shall not be valid unless countersigned by the duly authorized agent of this  
26 company at .....

27 .....

28 .....  
29 Secretary President

30 Countersigned this ..... day of ..... 20 .....

31 .....  
32 Agent

33 1 **Concealment**, This entire policy shall be void if, whether

34 2 **fraud**, before or after a loss, the insured will-

35 3 fully concealed or misrepresented any material

36 4 fact or circumstance concerning this insurance or the subject

1       5 thereof, or the interest of the insured therein, or in the case of  
2       6 any fraud or false swearing by the insured relating thereto.

3       7 **Uninsurable**     This policy shall not cover accounts, bills,  
4       8 **and excepted**    currency, deeds, evidences of debt, money, or  
5       9 **property**.       securities; nor, unless specifically named here-  
6       10                   on in writing, bullion or manuscripts.

7       11 **Perils not**     This company shall not be liable for loss by  
8       12 **included.**       fire or other perils insured against in this  
9       13                   policy caused, directly or indirectly, by: (a)  
10      14 enemy attack by armed forces, including action taken by mili-  
11      15 tary, naval, or air forces in resisting an actual or an immediately  
12      16 impending enemy attack; (b) invasion; (c) insurrection; (d)  
13      17 rebellion; (e) revolution; (f) civil war; (g) usurped power; (h)  
14      18 order of any civil authority except acts of destruction at the time  
15      19 of and for the purpose of preventing the spread of fire, provided  
16      20 that this fire did not originate from any of the perils excluded  
17      21 by this policy; (i) neglect of the insured to use all reasonable  
18      22 means to save and preserve the property at and after a loss, or  
19      23 when the property is endangered by fire in neighboring prem-  
20      24 ises; (j) loss by theft.

21      25 **Other Insurance.** Other insurance may be prohibited or the  
22      26                   amount of insurance may be limited by an  
23      27 endorsement attached hereto.

24      28 **Conditions suspending or restricting insurance.** Unless  
25      29 otherwise provided in writing and added hereto this company  
26                           or companies shall not  
27      30 be liable for loss occurring:

28      31 (a)             While the hazard is increased by any means within the con-  
29      32                   trol or knowledge of the insured; or  
30      33 (b)             While a described building, whether intended for occupancy  
31      34                   by owner or tenant, is vacant or unoccupied beyond a period of  
32      35                   sixty (60) consecutive days or  
33      35A                  thirty (30) consecutive days subsequent to the date on which an  
34      35B                  order is issued by the local building inspector pursuant to



1       65 Notice    of    cancellation    shall    state    that  
2       66 the excess premium (if not tendered) will be promptly  
3       67 re-funded.

4       **68 Mortgagee**    If loss hereunder is made payable, in whole  
5       **69 interests and**    or in part, to a designated mortgagee not  
6       **70 obligations.**    named herein as the insured, that interest in  
7                            this policy may be cancelled by giving to that  
8                            mortgagee a ten (10) days' written notice of  
9                            cancellation.

10      74 If the insured fails to render proof of loss the mortgagee, upon  
11      75 notice, shall render proof of loss in the form herein specified  
12      76 within sixty (60) days thereafter and shall be subject to the pro-  
13      77 visions hereof relating to appraisal and time of payment and of  
14      78 bringing suit. If this company shall claim that no liability ex-  
15      79  isted as to the mortgagor or owner, it shall, to the extent of the pay-  
16      80  ment of loss to the mortgagee, be subrogated to all the mort-  
17      81  gagee's rights of recovery, but without impairing the mort-  
18                            gagee's  
19      82 right to sue; or it may pay off the mortgage debt and require  
20      83 an assignment thereof and of the mortgage. Other provisions  
21      84 relating to the interests and obligations of the mortgagee may  
22      85 be added hereto by agreement in writing.

23      **86 Pro rata liability.**    This company shall not be liable for a  
24      87                            greater proportion of any loss than the  
25      88 amount hereby insured shall bear to the whole insurance cover-  
26      89 ing the property against the peril involved, whether collectible  
27                            or not.

28      **90 Requirements in**    The insured shall give immediate written  
29      **91 case loss occurs.**    notice to this company notify this company as soon as practicable of any  
30      loss, once discovered, use reasonable methods to protect  
31      92                            the property from further damage, forth  
32                                    with use reasonable efforts to preserve and  
33      93 separate the damaged and undamaged personal property, put  
34      94 it in the best possible order, furnish a complete inventory of

1 95 the destroyed, damaged, ~~and undamaged~~ personal property, showing in  
2 96 detail quantities, costs, actual cash value and amount of loss  
3 97 claimed; and within sixty (60) days ~~after the loss of a written request~~, unless such  
4 98 time is extended in writing by this company, the insured shall  
5 99 render to this company a proof of loss, signed ~~and sworn to~~ by  
6 100 the insured, stating the knowledge and belief of the insured as to  
7 101 the following: the time and origin of the loss, the interest of the  
8 102 insured and of all others in the property, the actual cash value of  
9 103 each item thereof and the amount of loss thereto, all encum-  
10 104 brances thereon, all other contracts of insurance, whether valid  
11 105 or not, covering any of the property, any changes in the title,  
12 106 use, occupation, location, possession, or exposures of the prop-  
13 107 erty since the issuing of this policy, and by whom and for what  
14 108 purpose any building herein described and the several parts  
15 109 thereof were occupied at the time of loss and whether or not it  
16 110 then stood on leased ground, and shall furnish a copy of all the  
17 111 descriptions and schedules in all policies and, if required, veri-  
18 112 fied plans and specifications of any building, fixtures, or machin-  
19 113 ery destroyed or damaged. The insured, ~~as often as may be~~  
20 ~~114 reasonably required, shall exhibit to any person designated by~~  
21 ~~115 this company all that remains of any property herein described,~~  
22 ~~116 and submit to examinations under oath by any person named by~~  
23 ~~117 this company, and subscribe the same; and, as often as may be~~  
24 ~~118 reasonably required, shall produce for examination all books of~~  
25 ~~119 account, bills, invoices, and other vouchers, or certified copies~~  
26 ~~120 thereof if the originals are lost, at such reasonable time and~~  
27 ~~place as~~  
28 ~~121 may be designated by this company or its representative, and~~  
29 114 prior to invoking a demand for appraisal as provided for  
30 115 herein, shall allow reasonable inspection of the damaged  
31 116 property by this company, all that remains of any property  
32 117 herein described, and submit to one examination under  
33 118 oath by this company, and  
34 ~~122~~ 119 shall permit extracts and copies thereof to be made, and as may be

1 120 reasonably required, produce documentation to support any claim made,  
2 121 which may be reasonably obtainable and not financially burdensome,  
3 122 which shall occur at a mutually agreed upon time and place.  
4 123 Any examination under oath reasonably required pursuant to this section  
5 124 shall be conducted by telephone, through written questions propounded by  
6 125 this company, or by another method mutually agreed upon by the insured  
7 126 and this company. Any such written questions shall be answered in writing  
8 127 by the insured, subscribed by the insured, and sworn to before a notary public  
9 128 or other officer authorized to administer oaths.

10 ~~123 Appraisal.~~ In case the insured and this company shall  
11 ~~124 fail to agree as to the actual cash value or~~  
12 ~~125 the amount of loss, then, on the written demand of either, each~~  
13 ~~126 shall select a competent and disinterested appraiser and notify~~  
14 ~~127 the other of the appraiser selected within twenty (20) days of~~  
15 ~~128 that demand. The appraisers shall first select a competent and~~  
16 ~~129 disinterested umpire; and failing for fifteen (15) days to agree~~  
17 ~~130 upon the umpire, then, on request of the insured or this com-~~  
18 ~~131 pany, the umpire shall be selected by a judge of a court of~~  
19 ~~132 record in the state in which the property covered is located. The~~  
20 ~~133 appraisers shall then appraise the loss, stating separately actual~~  
21 ~~134 cash value and loss to each item; and, failing to agree, shall~~  
22 ~~135 submit their differences, only, to the umpire. An award in writ-~~  
23 ~~136 ing, so itemized, of any two (2) when filed with this company~~  
24 shall

25 ~~137 determine the amount of actual cash value and loss. Each~~  
26 ~~138 appraiser shall be paid by the party selecting him or her and~~  
27 ~~139 the expenses of appraisal and the umpire shall be paid by~~  
28 ~~140 the parties equally.~~

29 129 Appraisal. If the insured and this company fail to agree on the amount  
30 130 of loss, regardless of coverage acceptance, either party may demand  
31 131 appraisal in writing. A full or partial denial of coverage shall not relieve  
32 132 this company of its obligation to resolve scope of work disputes involving  
33 133 the extent and amount of loss through appraisal, if the insured demands appraisal.  
34 134 Within twenty (20) days of a demand for appraisal, each party shall select a competent

1 135 and disinterested appraiser who, at the time of appointment, is at least eighteen  
2 136 (18) years of age, and has been a resident of Rhode Island for at least one year,  
3 137 and further, is knowledgeable in the calculation of replacement cost value and actual  
4 138 cash value under the regulations promulgated pursuant to § 27-9.1-8, or its successors.  
5 139 Additionally, the appraiser selected by this company shall be either an independent  
6 140 insurance adjuster or an attorney, both of whom require active licensure in the State of  
7 141 Rhode Island. The appraisers shall have fifteen (15) days from the date both appraisers  
8 142 are appointed to agree upon a competent and disinterested umpire.  
9 143 The umpire, at the time of appointment, shall be at least eighteen (18) years of age,  
10 144 and have been a resident of Rhode Island for at least one year, and shall either:  
11 145 (i) Be a disinterested person selected from the list of arbitrators  
12 146 maintained by the Superior Court for the Court Annexed Arbitration Program; or  
13 147 (ii) Be a disinterested person who does not hold an active company adjuster,  
14 148 independent adjuster, or public adjuster license and has not held such a license  
15 149 within the twelve (12) months preceding the date of appointment as umpire.  
16 150 If, for any reason, the appraisers fail to agree upon an umpire within the fifteen (15) days  
17 151 provided to them to do so, or if either party fails to appoint an appraiser within the required  
18 152 time, after the fifteenth day, either party may petition a court of record in this state  
19 153 pursuant to §§ 10-3-4 and 10-3-6, or its successors, for the appointment of an  
20 154 appraiser, an umpire, or both. If, at the time such petition is heard, either party has not appointed  
21 155 an appraiser, the court shall, upon the request of the aggrieved party, appoint the appraiser for  
22 156 the party that failed to timely name their appraiser, and the court shall concurrently appoint the  
23 157 umpire, to provide for a speedy and efficient resolution of the amount of loss in dispute. Once  
24 158 appointed, the appraisers shall appraise the loss by separately determining the replacement cost  
25 159 value, and if necessary, the actual cash value associated with the restoration of the property.  
26 160 The appraisers and umpire shall be promptly informed by the parties if the policy to which  
27 161 the appraisal has been invoked under is a replacement cost value or actual cash value policy.  
28 If the  
29 162 policy has replacement cost value coverage, then only the replacement cost value shall be  
30 163 calculated. If the policy has actual cash value coverage, then both the replacement cost value  
31 164 and actual cash values shall be calculated.  
32 165 Replacement cost value shall include all legitimate and necessary materials, labor, and  
33 166 specialized labor, and shall be inclusive of all consequential damage costs,  
34 167 necessary to restore the property to a reasonably uniform appearance.

1 168 Restoration shall use new materials of like kind, quality, color, and appearance to the  
2 169 existing undamaged materials when the property is not being wholly replaced.  
3 170 Replacement cost value shall further factor in all applicable building requirements  
4 171 and manufacturer installation instructions, whichever is more stringent; and  
5 172 shall include compliance with all applicable health and safety requirements based on  
6 173 the age, design, and general nature of the scope of work for the property, without  
7 174 consideration of any depreciation.  
8 175 Actual cash value calculation shall include reasonable depreciation, which shall apply only to  
9 176 materials that are removed and replaced with new materials. Depreciation shall not be  
10 177 applied to labor, taxes, permits, fees, interest, or any non-material cost. Materials added  
11 178 solely due to building requirements or manufacturer installation standards shall not be  
12 179 depreciated. A depreciation schedule shall be prepared by each appraiser and provided to  
13 180 the appraisal panel.  
14 181 If the appraisers do not agree on any portion of the replacement cost value, actual  
15 182 cash value, or the cause of the damage evaluated, they shall submit only  
16 183 their differences and disagreements to the umpire for resolution.  
17 184 The appraisal award shall separately indicate the replacement cost value and  
18 185 accrued interest, calculated back to the date of loss, using a minimum interest rate of  
19 186 twelve percent (12%) per annum as established under § 9-21-10.  
20 187 If the policy provides actual cash value coverage, then the appraisal award shall  
21 188 separately indicate the replacement cost value, depreciation amount(s), the actual cash  
22 189 value, and accrued interest, calculated on the actual cash value back to the date of loss,  
23 190 using a minimum interest rate of twelve percent (12%) per annum as established  
24 191 under § 9-21-10.  
25 192 A written award signed by any two (2) members of the appraisal panel and filed with this  
26 193 company shall determine the amount of loss. Each appraiser shall immediately provide the  
27 194 executed award to the party who appointed that appraiser.  
28 195 If the insured purchased replacement cost coverage, the replacement cost value stated in the  
29 196 award, plus applicable interest accruing up to the date the payment is received, shall be the  
30 197 amount due.  
31 198 If the insured purchased only actual cash value coverage, the actual cash value stated  
32 199 in the award, plus applicable interest accruing up to the date the payment is received,  
33 200 shall be the amount due.  
34 201 If this company seeks to vacate or modify the appraisal award, it shall, contemporaneously

1 202 with its initial filing in court, deposit into the registry of the court the full amount due for the  
2 203 appraisal award, including interest accrued to the date of filing, which shall remain on deposit  
3 204 pending final adjudication.

4 205 If the cause of loss determined by the appraisal is covered under the policy and the company  
5 206 fails to pay the appraisal award within thirty (30) days of receipt of the award, and the  
6 207 insured thereafter files an action to confirm or enforce the award, this company shall,  
7 208 contemporaneously with its initial filing in that action, deposit into the registry of the court  
8 209 the full amount due for the appraisal award, including interest accrued to the date of filing,  
9 210 pending final adjudication.

10 211 If the appraisal is invoked by the insured, each appraiser shall be compensated by the  
11 212 party selecting that appraiser. If the appraisal is invoked by the company, the expenses  
12 213 of both appraisers shall be paid by the company. The fees of the umpire shall be paid  
13 214 by the parties equally. No party shall pay more than fifty percent (50%) of the umpire's  
14 215 total fees.

15 ~~141~~216 **Company's** It shall be optional with this company to  
16 ~~142~~217 **options.** take all, or any part, of the property at the  
17 ~~143~~218 agreed or appraised value, and also to re-  
18 ~~144~~219 pair, rebuild, or replace the property destroyed or damaged with  
19 ~~145~~220 another of like kind and quality within a reasonable time, on  
20 ~~146~~221 giving notice of its intention so to do within thirty (30) days  
21 ~~147~~222 after the receipt of the proof of the loss herein required.

22 ~~148~~223 **Abandonment.** There can be no abandonment to this com-  
23 ~~149~~224 pany of any property.

24 ~~150~~225 **When loss** The amount of loss for which this company  
25 ~~151~~226 **payable** ~~may be becomes~~ liable ~~for~~ shall be payable ~~sixty (60)~~ thirty (30)  
26 ~~152~~227 days after ~~proof of loss, as herein provided,~~  
27 ~~153~~228 ~~is received by this company and~~ ascertainment of the loss is  
28 ~~154~~229 made ~~either by agreement between the insured and this com-~~  
29 ~~155~~230 ~~pany expressed in writing or by the filing with this company~~  
30 ~~156~~231 ~~of an award as herein provided~~ by this company, to which payment may be issued without  
31 ~~232~~ agreement of the insured, or where there is an agreement between the parties expressed in  
32 ~~233~~ writing or by the filing with this company of an appraisal award as herein provided.  
33 ~~234~~ Any payment made by this company to the insured that is not the payment of an appraisal  
34 ~~235~~ award or judgment, shall be accompanied by written notice advising the insured that any

1 236 disagreement regarding the amount of loss may be resolved through appraisal as herein  
2 237 provided.

3 ~~157~~<sup>238</sup> **Suit.** ~~No~~ A suit or action on this policy for the recov-  
4 ~~158~~<sup>239</sup> ery of any claim caused solely by fire or lightning shall be sustainable in any  
5 ~~159~~<sup>240</sup> court of law or equity ~~unless all the requirements of this policy~~  
6 ~~160~~<sup>241</sup> ~~shall have been complied with, and unless if it is~~ commenced within  
7 ~~161~~<sup>242</sup> twenty-four (24) months next after inception of the loss.

8 ~~162~~<sup>243</sup> **Subrogation.** This company may require from the insured  
9 ~~163~~<sup>244</sup> an assignment of all rights of recovery.

10 ~~164~~<sup>245</sup> against any party for loss to the extent that payment therefor  
11 ~~165~~<sup>246</sup> is made by this company.

12 Standard Fire Insurance Policy of the State of  
13 Expires .....  
14 Property.....  
15 Assured .....  
16 No. .....

17 **(COMPANY)**

18 It is important that the written portions of all policies covering  
19 the same property read exactly alike. If they do not, they should  
20 be made uniform at once.

21  
22 SECTION 2. Section 27-5-9.1 of the General Laws in Chapter 27-5 entitled "Fire Insurance  
23 Policies and Reserves" is hereby amended to read as follows:

24 **27-5-9.1. Simplified comprehensive policies of insurance.**

25 (a) Simplified comprehensive policies of insurance providing broad coverage of all or  
26 various combinations of risks may be approved by the director of business regulation and issued  
27 by insurers notwithstanding those provisions of any other law that specify the contents of insurance  
28 policies; provided, that those policies contain provisions assuring to policyholders and claimants  
29 protection not less favorable than they would be entitled to under § 27-5-3 or a substantially similar  
30 policy that is not subject to this section.

31 (b) Limitations period for non-fire and non-lightning homeowners claims. Any legal action  
32 for a claim under a homeowners policy issued pursuant to this section, where the cause of loss is  
33 neither fire nor lightning, shall be commenced within ten (10) years after inception of the loss. Any  
34 contractual provision establishing a shorter limitations period is void and unenforceable.

1                   (c) For purposes of this section, “inception of the loss” means, in the case of a continuous,  
2 repeated, or progressive loss, the first day on which the loss or damage was discovered.

3                   (d) Fire and lighting claims unaffected. Claims arising from fire or lightning shall remain  
4 governed by § 27-5-3.

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

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LC003903

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO INSURANCE -- FIRE INSURANCE POLICIES AND RESERVES

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- 1        This act would amend Rhode Island's standard fire insurance policy by codifying uniform, transparent appraisal procedures and payment obligations that reflect contemporary claim-handling practices while preserving long-standing consumer protections.
- 2
- 3
- 4        This act would take effect upon passage.

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