

2026 -- S 2261

LC003903

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

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 of20
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 § 23-27.3-124.2,
2 35C whichever first occurs; or
3 36 (c) As a result of explosion or riot, unless fire ensues, and in
4 37 that event for loss by fire only.
5 38 **Other perils** Any other peril to be insured against or sub-
6 39 **or subjects.** ject of insurance to be covered in this policy
7 40 shall be by endorsement in writing hereon or
8 41 added hereto.
9 42 **Added provisions.** The extent of the application of insurance
10 43 under this policy and of the contribution to
11 44 be made by this company in case of loss, and any other pro-
12 45 vision or agreement not inconsistent with the provisions of this
13 46 policy, may be provided for in writing and added hereto, but no
14 47 provision may be waived except such as by the terms of this
15 48 policy is subject to change.
16 49 **Waiver** No permission affecting this insurance shall
17 50 **provisions.** exist, or waiver of any provision is valid,
18 51 unless granted herein or expressed in writing
19 52 and added hereto. No provision, stipulation, or forfeiture shall
20 53 be held to be waived by any requirement or proceeding on the
21 54 part of this company relating to appraisal or to any examina-
22 55 tion provided for herein.
23 56 **Cancellation** This policy shall be cancelled at any time
24 57 **of policy.** at the request of the insured, in which case
25 58 this company shall, upon demand and sur-
26 59 render of this policy, refund the excess of the paid premium
27 above
28 60 the customary short rates for the expired time. This pol-
29 61 icy may be cancelled at any time by this company by giving
30 62 to the insured a thirty (30) days' written notice of cancellation except that when cancellation is
31 63 for nonpayment of premium, a ten (10) days' written notice shall be required with
32 63 or without tender of the excess of the paid premium above the
33 pro
34 64 rata premium for the expired time.

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 71 this policy may be cancelled by giving to that
8 72 mortgagee a ten (10) days' written notice of
9 73 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 ~~157238~~ **Suit.** ~~No~~ A suit or action on this policy for the recov-
4 ~~158239~~ ery of any claim caused solely by fire or lightning shall be sustainable in any
5 ~~159240~~ court of law or equity ~~unless all the requirements of this policy~~
6 ~~160241 shall have been complied with, and unless~~ if it is commenced within
7 ~~161242~~ twenty-four (24) months next after inception of the loss.

8 ~~162243~~ **Subrogation.** This company may require from the insured
9 ~~163244~~ an assignment of all rights of recovery.
10 ~~164245~~ against any party for loss to the extent that payment therefor
11 ~~165246~~ is made by this company.

Standard Fire Insurance Policy of the State of

Expires

Property.....

Assured

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.

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

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

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

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

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

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