

2010 -- S 2536

LC01809

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO INSURANCE -- HEALTH SELF-INSURANCE OF OPERATORS OF  
NONPROFIT COMMUNITY RESIDENCES AND NONPROFIT HEALTH CARE CENTERS

Introduced By: Senator Roger Picard

Date Introduced: February 11, 2010

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 27 of the General Laws entitled "INSURANCE" is hereby amended  
2 by adding thereto the following chapter:

3 CHAPTER 73

4 HEALTH SELF-INSURANCE OF OPERATORS OF NONPROFIT COMMUNITY

5 RESIDENCES AND NONPROFIT HEALTH CARE CENTERS

6 **27-73-1. Purpose.** – To authorize operators of nonprofit community residences, as  
7 defined in chapter 24-5 of title 40.1 of the general laws, or nonprofit health care centers, as  
8 defined in chapter 17 of title 23 of the general laws, acting as a group, to self-insure health care  
9 costs for employees, retirees an other beneficiaries and allow third-party administrator to  
10 administer said program.

11 **27-73-2. Establishment of fund.** – Entities which operate nonprofit community  
12 residences or nonprofit health care centers are hereby authorized and empowered to create and  
13 establish a fund for the purpose of self insuring health care provided to their employees and their  
14 dependents, and their retirees and their dependents.

15 **27-73-3. Amount of fund.** – Self-insurance funds may be established to insure the health  
16 costs of the employees, their covered dependents, and the retirees and their covered dependents,  
17 not otherwise insured, to the extent determined by the operators of nonprofit community  
18 residences or nonprofit health care centers, subject to approval by the health insurance

1 commissioner.

2 **27-73-4. Payment to and from fund.** – The self-insurance funds shall be used by the  
3 operators of nonprofit community residences or nonprofit health care centers as nonlapsing,  
4 revolving funds for carrying out the provisions of this chapter.

5 **27-73-5. Investment of fund.** – Moneys in the funds currently not needed to meet  
6 expenses and obligations of self-insurance shall be deposited in a depository bank or may be  
7 invested in savings accounts or certificates of commercial or savings banks or trust companies, or  
8 in obligations of the United States or its agencies, or in any other short-term investments, as  
9 would be made by prudent men or women of discretion and intelligence. Investment earnings of  
10 the funds are deemed receipts and become assets of the funds subject to nonlapsing, revolving  
11 provisions of section 27-73-4.

12 **27-73-6. Expenses of operation.** – The operators of nonprofit community residences or  
13 nonprofit health care centers may, in their discretion, expend out of the funds moneys that may be  
14 necessary for any expenses of self-insurance including administrative, legal or other services  
15 expenses.

16 **27-73-7. Severability.** – The provisions of this chapter are severable, and if any of its  
17 provisions are held unconstitutional by any court of competent jurisdiction, the decision of the  
18 court shall not affect or impair any of the remaining provisions.

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO INSURANCE -- HEALTH SELF-INSURANCE OF OPERATORS OF  
NONPROFIT COMMUNITY RESIDENCES AND NONPROFIT HEALTH CARE CENTERS

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1           This act would authorize operators of nonprofit community residences and nonprofit  
2 health care centers, acting as a group to self-insure health care costs for employees, retirees and  
3 other beneficiaries and would allow a third-party administrator to administer said program.

4           This act would take effect upon passage.

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