

2008 -- S 2286

LC01673

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2008

A N A C T

RELATING TO INSURANCE -- HEALTH INSURANCE MARKET EXPANSION

Introduced By: Senators Sheehan, Perry, Sosnowski, Paiva-Weed, and Walaska

Date Introduced: February 07, 2008

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 27-67-2, 27-67-3 and 27-67-4 of the General Laws in Chapter 27-  
2 67 entitled "The Health Insurance Market Expansion Act" are hereby amended to read as follows:

3 **27-67-2. Findings.** -- The general assembly finds and declares that:

4 (1) Rhode Island has a proud history of health insurance companies including health  
5 insurance corporations, health maintenance organizations, nonprofit hospital service corporations,  
6 and nonprofit medical service corporations doing business in this state;

7 (2) Nationally and regionally, insurance corporations, health maintenance organizations,  
8 hospital service corporations and medical service corporations, are being consolidated or are  
9 departing from some state insurance markets. Rhode Island is one of twelve (12) states with three  
10 (3) or fewer health insurers active in the group insurance market;

11 (3) One reason cited for the departure of health insurers from the state of Rhode Island is  
12 the size of our population. States with larger populations offer a greater opportunity for  
13 competition and profit; and

14 (4) A regional approach to health insurance that joins Rhode Island's regulatory  
15 environment with that of Massachusetts and Connecticut ~~regulations~~ would expand the  
16 opportunities for regional insurers to offer insurance in Rhode Island.

17 **27-67-3. Definitions.** -- (1) "Department" means the department of business regulation;

18 (2) "Director" means the director of the department of business regulation;

19 (3) ~~"Health insurance corporation, health maintenance organization, nonprofit hospital~~

1 ~~service corporation or nonprofit medical service corporation~~"Health insurer", means the health  
2 insurance corporation, health maintenance organization, nonprofit hospital service corporation or  
3 nonprofit medical service corporation as defined in chapters 1, 18, 19 and 20 of this title.

4 **27-67-4. Establishment of a regional health insurance market.** – (a) The director and  
5 commissioner shall jointly undertake a review of the existing laws and regulations pertaining to  
6 the business of health insurance in this state, and in the commonwealth of Massachusetts and the  
7 state of Connecticut and shall on.~~On~~ or before January 1, ~~2005~~2009, make such regulatory  
8 changes or cooperative agreements necessary to afford reciprocal licensure to all health insurers  
9 licensed to do business in Massachusetts or Connecticut thus enabling said health insurers to do  
10 business in Rhode Island without undertaking a separate license application in Rhode Island other  
11 than a petition for recognition of their Massachusetts or Connecticut license with the grant of a  
12 reciprocal Rhode Island license.~~the director shall submit a report to the general assembly~~  
13 ~~recommending needed revisions in Rhode Island law to reconcile with that of Massachusetts. The~~  
14 ~~director shall also delineate a timetable for regulatory change and cooperative agreements with~~  
15 ~~the insurance commissioner in Massachusetts to effectuate a seamless health insurance market~~  
16 ~~incorporating both states.~~

17 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 INSURANCE MARKET EXPANSION

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1           This act would establish a regional health insurance market between Rhode Island,  
2   Massachusetts and Connecticut.

3           This act would take effect upon passage.

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