AN ACT
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:


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

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

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

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

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

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

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

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

27-67-4. Establishment of a regional health insurance market. – (a) The director and commissioner shall jointly undertake a review of the existing laws and regulations pertaining to the business of health insurance in this state, and in the commonwealth of Massachusetts and the state of Connecticut and shall on or before January 1, 2005, make such regulatory changes or cooperative agreements necessary to afford reciprocal licensure to all health insurers licensed to do business in Massachusetts or Connecticut thus enabling said health insurers to do business in Rhode Island without undertaking a separate license application in Rhode Island other than a petition for recognition of their Massachusetts or Connecticut license with the grant of a reciprocal Rhode Island license.

The director shall submit a report to the general assembly recommending needed revisions in Rhode Island law to reconcile with that of Massachusetts. The director shall also delineate a timetable for regulatory change and cooperative agreements with the insurance commissioner in Massachusetts to effectuate a seamless health insurance market incorporating both states.

SECTION 2. This act shall take effect upon passage.

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

This act would take effect upon passage.

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