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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2002

AN ACT

RELATING TO STATUTES AND STATUTORY CONSTRUCTION

Introduced By: Representatives Carter, Fox, and San Bento

Date Introduced: February 13, 2002

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 5-40.1-13 of the General Laws in Chapter 5-40.1 entitled
2 “Occupational Therapy” is hereby amended to read as follows:
3 **5-40.1-13. Fees. --** When an application is submitted to the division of
4 professional regulation for a license to practice occupational therapy in Rhode Island, the
5 applicant ~~pays~~ shall pay a non-refundable fee of sixty-two dollars and fifty cents (\$62.50)
6 to the general treasurer. A licensee shall submit a biennial renewal fee of sixty-two
7 dollars and fifty cents (\$62.50) ~~is submitted~~ with a renewal application on or before the
8 ~~first~~ thirty-first (31st) day of March of each even year pursuant to the requirements of §
9 5-40.1-12~~(4)~~(a)(3), and any person who allows his or her license to lapse by failing to
10 renew it in the manner prescribed ~~pays~~ shall pay an additional fee of twenty-five dollars
11 (\$25.00) as referred to in § 5-40.1-12~~(4)~~
12 (a)(6).

13 SECTION 2. Section 23-17-44 of the General Laws in Chapter 23-17 entitled “Licensing
14 of Health Care Facilities” is hereby amended to read as follows:

15 **23-17-44. Moratorium on new initial nursing facility licensed beds and on**
16 **increases to the licensed capacity of existing nursing facility licenses.** -- (a) The

1 licensing agency shall issue no new initial licenses for nursing facilities prior to July 1,
2 2004; provided, however, that:

3 (1) Any person holding a previously issued and valid certificate of need as of August 21,
4 1996 shall be permitted to effect a prior certificate from the licensing agency consistent with any
5 other statutory and regulatory provisions which may further apply;

6 (2) Any person holding a nursing facility license may undertake activities to construct
7 and operate a replacement nursing facility with the same or lower bed capacity as is presently
8 licensed provided that the replacement facility may only be licensed upon the otherwise
9 unconditional cessation of operation of the previously licensed nursing facility;

10 (3) Any certificate of need application under active review before the state agency as of
11 January 10, 1996, which application seeks approval of a proposal to establish a new nursing
12 facility or seeks to increase the licensed bed capacity of an existing nursing facility shall continue
13 to be reviewed under all the statutory and regulatory requirements in effect at the time the
14 application was accepted for review by the state agency; and

15 (4) On July 1, 1999, if the statewide occupancy rate of licensed nursing facility beds
16 exceeds ninety-two percent (92%) for the preceding calendar year, as determined by the
17 department of human services, an assisted living residence licensed pursuant to chapter 17.4 of
18 this title may propose to seek nursing facility licensure by conversion of assisted living residence
19 rooms within its existing physical plant; provided however, that:

20 (i) The number of nursing facility beds to be licensed does not exceed the lesser of twenty
21 (20) beds or ten percent (10%) of the licensed bed capacity of the assisted living residence;

22 (ii) The capital expenditures associated with the implementation of the nursing facility
23 beds does not exceed five hundred thousand dollars (\$500,000);

24 (iii) The nursing facility shall be limited in taking residents to those persons who are
25 transferring from residency at the assisted living residence;

26 (iv) The assisted living residence must participate in the Medicaid program;

27 (v) The application must be submitted to the health services council on or before October
28 1, 1999;

29 (vi) The facility must comply with all requirements of the Health Care Certificate of
30 Need Act, chapter 15 of title 23.

31 (b) Prior to July 1, 2004, the licensing agency shall not increase the licensed bed capacity
32 of any existing licensed nursing facility, including any nursing facility approved for change in
33 ownership pursuant to ~~§ 23-17-14~~ §§23-17-14.3 and 23-17-14.4, except for the greater of ten (10)
34 beds or ten percent (10%) of the facility's licensed capacity. Any person holding a previously

1 issued and valid certificate of need as of the date of passage of this section or who shall
2 subsequently be granted a certificate of need pursuant to subsection (a) shall be permitted to
3 effect a prior certificate from the licensing agency consistent with any other statutory and
4 regulatory provisions which may further apply.

5 SECTION 3. Sections 25-2-14, 25-2-18.1, 25-2-25, and 25-2-19 of the General Laws in
6 Chapter 25-2 entitled "Days of Special Observance" are hereby amended to read as follows:

7 **25-2-14. White Ceane Ssafety Dday - Proclamation.** -- Each year the governor shall
8 take suitable public notice of October 15 as "~~W~~white ~~C~~ean ~~S~~safety ~~D~~day." The governor shall
9 issue a proclamation in which he or she:

10 (1) Comments upon the significance of the white cane;

11 (2) Calls upon the citizens of the state to observe the provisions of the white cane law and
12 to take precautions necessary to the safety of the people who are disabled;

13 (3) Reminds the citizens of the state of the policies with respect to people who are
14 disabled ~~herein~~ as declared in § 25-2-13 and urges the citizens to cooperate in giving effect to
15 them; and

16 (4) Emphasizes the need of the citizens to be aware of the presence of people who are
17 disabled in the community and to keep safe and functional for people who are disabled the streets,
18 highways, sidewalks, walkways, public buildings, public facilities, other public places, places of
19 public accommodation, amusement, and resort, and other places to which the public is invited,
20 and to offer assistance to people who are disabled upon appropriate occasions.

21 **25-2-18.1. Martin Luther King, Jr. State Holiday Commission. [Effective until**
22 **January 7, 2003.]** -- (a) There is ~~hereby~~ created a permanent commission to be known as the

23 Martin Luther King, Jr. State Holiday Commission to consist of thirteen (13) members, three (3)
24 of whom shall be from the house of representatives, not more than two (2) from the same political
25 party, to be appointed by the speaker; three (3) of whom shall be from the senate, not more than
26 two (2) from the same political party to be appointed by the senate majority leader; three (3) of
27 whom shall be representatives of the general public, to be appointed by the speaker; two (2) of
28 whom shall be representatives of the general public to be appointed by the senate majority leader;
29 one of whom shall be a representative of the governor's office, to be appointed by the governor;
30 and one of whom shall be the lieutenant governor, all of the foregoing to be known as
31 commission members. The commission shall appoint not more than sixteen (16) representatives
32 from organizations and groups generally identified with and thought to epitomize the ideals of Dr.
33 Martin Luther King, Jr., all of whom shall be known as non-voting affiliate members, to serve for
34 two (2) year terms.

1 (b) The purpose of the commission shall be to plan, supervise, and administer, in
2 conjunction with the federal Martin Luther King Day Commission and the Martin Luther King
3 Center for Non-Violent Social Change, an appropriate celebration to commemorate the birthday
4 of Dr. Martin Luther King, Jr., and the annual observance of Dr. Martin Luther King Day, which
5 will be observed on the third Monday in January each year. The commission shall not limit its
6 activities to the annual celebration, but shall endeavor to promote educational efforts throughout
7 the year, as well as to promote seminar events during the annual celebration that will be of
8 informative value to all segments of the Rhode Island community.

9 (c) ~~Forthwith upon the passage of this section,~~ The members of the commission ~~shall~~
10 ~~meet at the call of the speaker and~~ shall, in February of each odd-numbered year, elect from
11 among themselves a chairperson, who shall be a legislator, and a vice-chairperson, who shall not
12 be a government official or employee. Vacancies in the commission shall be filled in like manner
13 as the original appointment.

14 (d) The commission is empowered to appoint committees to study specialized areas of
15 concern and to report their findings and recommendations to the commission; provided, however,
16 that one of these committees shall be an education committee.

17 (e) The commission is empowered to establish a Martin Luther King Scholarship Fund
18 and to award scholarships ~~therefrom~~ from the fund. Decisions concerning scholarship awards
19 shall be made by the education committee of the commission in conjunction with the higher
20 education assistance authority.

21 (f) The commission is empowered to apply for and receive grants, appropriations, or gifts
22 from any federal, state, or local agency, from any public or private foundation, and from any
23 person, firm, or corporation in order to carry out the purposes of this chapter. The allocation of
24 any funds received shall be decided by a majority vote of voting members in attendance at a
25 meeting duly convened for the conduct of business by the commission.

26 Seven (7) members of the commission shall constitute a quorum.

27 (g) The commission shall meet at least four (4) times per year.

28 (h) ~~On or before October 1, 1996,~~ The commission shall adopt policies concerning the
29 responsibilities of its voting members and non-voting affiliate members, including attendance at
30 commission meetings.

31 (i) All departments and agencies of the state shall furnish advice and information,
32 documentary and otherwise, to the commission and its agents as may be necessary or desirable to
33 facilitate the purposes of this chapter.

1 (j) The speaker is ~~hereby~~ authorized and directed to provide suitable quarters for the
2 commission.

3 (k) The commission shall file a report with the general assembly outlining its plans for
4 the celebration on or before December 15th each year prior to the celebration.

5 **25-2-18.1. Martin Luther King, Jr. State Holiday Commission. [Effective January 7,**

6 **2003.]** -- (a) There is ~~hereby~~ created a permanent commission to be known as the Martin Luther
7 King, Jr. State Holiday Commission to consist of thirteen (13) members, three (3) of whom shall
8 be from the house of representatives, not more than two (2) from the same political party, to be
9 appointed by the speaker; three (3) of whom shall be from the senate, not more than two (2) from
10 the same political party to be appointed by the president of the senate; three (3) of whom shall be
11 representatives of the general public, to be appointed by the speaker; two (2) of whom shall be
12 representatives of the general public to be appointed by the president of the senate; one of whom
13 shall be a representative of the governor's office, to be appointed by the governor; and one of
14 whom shall be the lieutenant governor, all of the foregoing to be known as commission members.
15 The commission shall appoint not more than sixteen (16) representatives from organizations and
16 groups generally identified with and thought to epitomize the ideals of Dr. Martin Luther King,
17 Jr., all of whom shall be known as non-voting affiliate members, to serve for two (2) year terms.

18 (b) The purpose of the commission shall be to plan, supervise, and administer, in
19 conjunction with the federal Martin Luther King Day Commission and the Martin Luther King
20 Center for Non-Violent Social Change, an appropriate celebration to commemorate the birthday
21 of Dr. Martin Luther King, Jr., and the annual observance of Dr. Martin Luther King Day, which
22 will be observed on the third Monday in January each year. The commission shall not limit its
23 activities to the annual celebration, but shall endeavor to promote educational efforts throughout
24 the year, as well as to promote seminar events during the annual celebration that will be of
25 informative value to all segments of the Rhode Island community.

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29 be a government official or employee. Vacancies in the commission shall be filled in like manner
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32 concern and to report their findings and recommendations to the commission; provided, however,
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6 from any federal, state, or local agency, from any public or private foundation, and from any
7 person, firm, or corporation in order to carry out the purposes of this chapter. The allocation of
8 any funds received shall be decided by a majority vote of voting members in attendance at a
9 meeting duly convened for the conduct of business by the commission.

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13 responsibilities of its voting members and non-voting affiliate members, including attendance at
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16 documentary and otherwise, to the commission and its agents as may be necessary or desirable to
17 facilitate the purposes of this chapter.

18 (j) The speaker is ~~hereby~~ authorized and directed to provide suitable quarters for the
19 commission.

20 (k) The commission shall file a report with the general assembly outlining its plans for
21 the celebration on or before December 15th each year prior to the celebration.

22 **25-2-25. National Women's History Week.** -- The calendar week containing March
23 eighth, "International Women's ~~ad~~Day," in each year is ~~hereby~~ designated as "National Women's
24 History Week." The governor shall **annually issue an annual** proclamation inviting and urging
25 the people of the state to observe the week in schools and other suitable places with appropriate
26 exercises and study with an emphasis on the historical accomplishments of Rhode Island women.
27 The department of elementary and secondary education, ~~the Rhode Island office of civil rights,~~
28 and the Rhode Island commission on women shall make appropriate information regarding the
29 observance available to the people of the state and to schools within the limits of their budgets.

30 **25-2-29. Saint Jean-Baptiste Day.** -- The twenty-fourth day of June shall
31 annually be set aside as a day to be known as "Saint Jean-Baptiste Day" and the governor
32 shall **annually issue an annual** proclamation inviting and urging the people of the state
33 to observe this day in suitable places with appropriate ceremonies. Saint Jean-Baptiste
34 Day shall commemorate the feast of Saint ~~John the Baptist~~ Jean-Baptiste as an important

1 observance and show of appreciation for the significant cultural, economic, and civic
2 contributions made by Franco-Americans **which that** have served to enrich the culture
3 and lifestyle of this state.

4 SECTION 4. Sections 25-3-1 and 25-3-3 of the General Laws in Chapter 25-3
5 entitled “Work on Holidays and Sundays” are hereby amended to read as follows:

6 **25-3-1. Definitions.** -- As used in this chapter:

7 (1) “Director” means the director of the department of labor and training;

8 (2) “Economic necessity” means and refers to any case where the director determines
9 that:

10 (i) Both the economics and technology of manufacture of the product or a component
11 ~~thereof~~ of the product requires continuous conversion or processing of raw materials,
12 intermediates, or components without interruption to avoid disproportionate loss of production
13 capacity;

14 (ii) The economics and technology of data processing requires the continuous operation
15 of data processing equipment to avoid deterioration of equipment or a disproportionate loss of
16 computer capacity or where customer requirements are ~~such~~ that data processing equipment must
17 be available for input or output on a continuous basis;

18 (iii) Because prevailing industry practice in the manufacturing or processing of the
19 product or in the provision of banking or financial services is to operate facilities within that
20 industry seven (7) days per week, the failure to operate on one or more Sundays or holidays will
21 subject the employer to a competitive hardship within the industry in which the employer
22 competes;

23 (iv) Maintenance or improvement of plant or equipment cannot practically or efficiently
24 be performed while production is in process;

25 (v) The scheduling of production on Sundays or holidays is necessitated by interrupted or
26 allocated energy supplies, or shortages of raw materials or component parts;

27 (vi) An employer has been deprived of its normal production schedule by fire, flood,
28 power failure, or other circumstances beyond its control; or

29 (vii) Circumstances, temporary in nature, are ~~such~~ that undue economic hardship would
30 result from the inability to operate on one or more Sundays or holidays;

31 (3) “Employee” means any individual employed by an employer, but shall not include:

32 (i) Any individual employed in agriculture or maritime trades, including commercial
33 fishing or boat repairs;

1 (ii) Any physician, dentist, attorney at law, or accountant;
2 (iii) Any individual engaged in the provision of health care or maintenance;
3 (iv) Any individual employed in a restaurant, hotel, motel, summer camp, resort, or other
4 recreational facility (except health clubs);
5 (v) Any individual employed in the business of offshore petroleum or gas exploration or
6 extraction, or in the business of servicing or supplying persons engaged in exploration or
7 extraction;
8 (vi) Supervisory employees as defined in 29 U.S.C. § 213(a)(1) and regulations issued
9 pursuant ~~thereto~~ to that section;
10 (vii) Any individual employed by an employer holding a license issued pursuant to
11 chapter 23 of title 5; or
12 (viii) Any individual employed as part of a telephonic delivery of customer service, sales
13 operations, and ancillary services related ~~thereto~~ to those services and operations, except for
14 specific employment positions in the telecommunications industry **which that** are part of any
15 collective bargaining agreement or employment contract in effect on July 2, 1998.
16 (4) “Employer” means any natural person, partnership, firm, corporation, or other
17 enterprise engaged in industry, transportation, communication, or any other commercial
18 occupation involving one or more employees; and
19 (5) “Holidays” means Sunday, New Year’s Day, Memorial Day, July 4th, Victory Day,
20 Labor Day, Columbus Day, Veterans’ Day, Thanksgiving, and Christmas; provided, ~~however,~~
21 that as it pertains to all offices of state and municipal government, the term “holiday” includes in
22 addition to the ~~foregoing~~ holidays enumerated in this subdivision, Dr. Martin Luther King, Jr.’s
23 Birthday, as **defined herein. in § 25-2-18.**
24 **25-3-3. Work on Sundays or holidays.** -- (a) Work performed by employees on
25 Sundays and holidays must be paid for at least one and **one-half** (1 1/2) times the normal rate of
26 pay for the work performed; provided: (1) that it is not grounds for discharge or other penalty
27 upon any employee for refusing to work upon any Sunday or holiday enumerated in this ~~section~~
28 chapter; (2) any manufacturer which operates for seven (7) continuous days per week is exempt
29 from the requirement of subdivision (1).
30 (b) Any manufacturer of wall-covering products which operates for seven (7) continuous
31 days per week, twenty-four (24) hours per day, and has complied with the provisions of
32 subsection (a) is exempt from the requirement that the work be voluntary on Sundays as provided
33 in subsection (a); provided, that the manufacturer increases employment by at least ten percent
34 (10%), within one year of its conversion to continuous operation from non-continuous operation.

1 (c) Any manufacturer that operates three (3) shifts, or begins its work week on Sundays,
2 may begin the shift or start the work week at 11:00 P.M. on Sunday and not be required to pay its
3 employees one and one-half (1 1/2) times the normal rate of pay during the one hour period
4 between 11:00 P.M. Sunday and 12 midnight.

5 SECTION 5. Sections 27-1-1, 27-1-29, 27-1-38 and 27-1-40 of the General Laws in
6 chapter 27-1 entitled "Domestic Insurance Companies" are hereby amended to read as follows:

7 **27-1-1. Site of principal office and records.** -- (a) Every insurance company organized
8 after May 3, 1956, under the laws of this state shall have its principal office and maintain all of its
9 records, or duplicates ~~thereof~~ of those records, in this state; provided, ~~however,~~ that the director
10 of business regulation may, after a public hearing, allow any insurance company, upon
11 application, to locate its principal office and maintain certain original records outside of this state
12 if it is determined that it is not inconsistent with the public interest of the people of the state of
13 Rhode Island. In determining what is not inconsistent with the public interest of the people of the
14 state of Rhode Island, the director shall make findings of fact, reduced to writing and filed with
15 the secretary of state, which findings shall include, but are not ~~be~~ limited to the following:

16 (1) ~~(a)~~ The number of full time employees currently located within the state, and the
17 number of full time employees anticipated to be located within the state if the petition is granted;
18 ~~and~~

19 (2) ~~(b)~~ That no detriment nor prejudice will inure to any current or anticipated future
20 policyholders of the company by granting the application; ~~and~~

21 (3) ~~(c)~~ That the granting of the application is not ~~inimicable~~ inimical to the ability of
22 policyholders to file claims with and against the company, and, in furtherance of this finding, may
23 require that the company maintain a toll free number for registering claims, and may require a
24 claims office to be located within the state, staffed by a person authorized to issue payment on
25 behalf of the company on approved claims; and

26 (4) ~~(d)~~ That a review of the financial records of the company and the records relied upon
27 by the director in making the determination have satisfied the director that the company is able to
28 meet its obligations to current policyholders. In the event that there is any risk associated with the
29 granting the application the director may deny the application or may, in furtherance ~~thereof~~ of
30 the application, ~~may~~ require the posting of bonds and/or securities with the general treasurer, in
31 an amount to be determined by the director, sufficient to protect the interest of the policyholders
32 within the state, ~~;~~ and

1 (b) ~~(e)~~ The director is authorized to promulgate regulations as provided for by the
2 Administrative Procedures Act, chapter 35 of title 42, not inconsistent with ~~the foregoing~~
3 this section, in furtherance of the authority ~~herein~~ granted in this section.

4 **27-1-29. Reports of directors, officers, and principal shareholders.** -- Every
5 person who is directly or indirectly the beneficial owner of more than ten percent (10%)
6 of any class of any equity security of a domestic stock insurance company, or who is a
7 director or an officer of a domestic stock insurance company, shall file in the office of the
8 commissioner ~~on or before the first day of July, 1966,~~ or within ten (10) days after he or
9 she becomes the beneficial owner, director, or officer, a statement, in a form as the
10 commissioner may prescribe, of the amount of all equity securities of the company of
11 which he or she is the beneficial owner. Within ten (10) days after the close of each
12 calendar month, ~~thereafter~~, if there has been a change in ownership during the month, he
13 or she shall file in the office of the commissioner a statement, in a form as the
14 commissioner may prescribe, indicating his or her ownership at the close of the calendar
15 month and any changes in his or her ownership as have occurred during the calendar
16 month.

17 **27-1-38. Acquisition of minority interests in subsidiary insurers.** -- (a) Any parent
18 corporation directly or indirectly owning at least ninety-five percent (95%) of the aggregate
19 issued and outstanding shares of all classes of voting stock of an insurance company created by
20 special act of the general assembly may, pursuant to a plan for acquisition of minority interests in
21 the insurance company adopted pursuant to this section, acquire all of the remaining issued and
22 outstanding shares of voting stock of the insurance company, by exchange of stock, other
23 securities, cash, other consideration, or any combination ~~thereof~~ of these.

24 (b) The board of directors, trustees, or other governing body of the parent corporation
25 may adopt a plan for the acquisition of minority interests in a subsidiary insurer. Every plan shall
26 set forth:

- 27 (1) The name of the company whose shares are to be acquired;
- 28 (2) The total number of issued and outstanding shares of each class of voting stock of the
29 company, the number of its shares owned by the parent corporation and, if either of the foregoing
30 is subject to change prior to the effective date of acquisition, the manner in which any change
31 may occur;

1 (3) The terms and conditions of the plan, including the manner and basis of exchanging
2 the shares to be acquired for shares or other securities of the parent corporation, for cash, other
3 consideration, or any combination of the foregoing, the proposed effective date of acquisition,
4 and a statement clearly describing the rights of dissenting shareholders to demand appraisal;

5 (4) If the parent corporation that has adopted the plan is neither a domestic corporation
6 nor an authorized insurer, its consent to the enforcement against it in this state of the rights of
7 shareholders pursuant to the plan, and a designation of the insurance commissioner as the agent
8 upon whom process may be served against the parent corporation in the same manner as if the
9 parent corporation were a foreign insurance company licensed to do business in this state; and

10 (5) The other provisions with respect to the plan that the board of directors, trustees or
11 other governing body deems necessary or desirable, or which the director of the department of
12 business regulation may prescribe.

13 (c) Upon adoption of the plan, it shall be duly executed by the president and attested by
14 the secretary, or the executive officers corresponding ~~thereto~~ to president and secretary, under the
15 corporate seal of the parent corporation which has adopted the plan. A certified copy of the plan,
16 together with a certificate of its adoption subscribed by the officers and affirmed by them as true
17 under the penalties of perjury and under the seal of the parent corporation, shall be submitted to
18 the director of business regulation for his or her approval. The director of business regulation
19 shall consider the plan and, if satisfied that it complies with this section, is fair and equitable and
20 not inconsistent with law, the director of business regulation shall approve the plan. The director
21 of business regulation shall approve, modify, or disapprove the plan within sixty (60) days of its
22 submission to him or her. If the director of business regulation modifies or disapproves the plan,
23 notification of his or her modification or disapproval, assigning the reasons ~~therefor~~ for that
24 action, shall be given in writing by him or her to the parent corporation that submitted the plan.
25 No plan shall take effect unless the approval of the director of the department of business
26 regulation has been obtained.

27 (d) If the director of business regulation approves the plan as submitted or modified, the
28 parent corporation which has adopted the plan shall deliver to each person who, as of the date of
29 delivery, is a holder of record of stock to be acquired pursuant to the plan, a copy of the plan, or a
30 summary of the plan approved by the director of the department of business regulation in person
31 or by depositing a copy or a summary of the plan in the post office, postage prepaid, addressed to
32 the shareholder at the shareholder's address of record. On or before the date of acquisition
33 proposed in the plan, the parent corporation which has adopted the plan shall file with the director
34 of the department of business regulation a certificate, executed by its president and attested by its

1 secretary, or the executive officers corresponding ~~thereto~~ to president and secretary, and
2 subscribed by the officers and affirmed by them as true under the penalties of perjury and under
3 the seal of the parent corporation, attesting to compliance with this subsection.

4 (e) Upon compliance with this section, ownership of the shares to be acquired pursuant
5 to the plan shall vest in the parent corporation which has adopted the plan on the date of
6 acquisition proposed in the plan whether or not the certificates for the shares have been
7 surrendered for exchange. The parent corporation shall be entitled to have new certificates
8 registered in its name. Shareholders whose shares have been so acquired shall thereafter retain
9 only the right either to receive the consideration to be paid in exchange for their shares pursuant
10 to the plan or to demand appraisal pursuant to subsection (g).

11 (f) Neither the right granted by this section nor the exercise of that right by a parent
12 corporation shall preclude the exercise by the parent corporation of any other rights it may have
13 under any other applicable law.

14 (g)(1) Any shareholder of an insurance company whose shares are to be acquired by a
15 parent corporation pursuant to a plan for the acquisition of minority interests adopted under this
16 section shall have the right to dissent from the plan.

17 ~~(2)~~ ~~(1)~~ A shareholder may not dissent as to less than all of the shares registered in the
18 shareholder's name which are owned beneficially by the shareholder. A nominee or fiduciary
19 may not dissent on behalf of any beneficial owner as to less than all of the shares of the owner
20 registered in the name of the nominee or fiduciary.

21 ~~(3)~~ ~~(2)~~ Any shareholder electing to exercise the right of dissent shall file with the parent
22 corporation a written demand for payment of the fair value of the shareholder's shares within
23 fifteen (15) days after the plan shall have been mailed to the shareholder.

24 ~~(4)~~ ~~(3)~~ Any shareholder failing to make demand within the fifteen (15) day period shall
25 be bound by the terms of the plan. Any shareholder making a demand shall be entitled only to
26 payment as in this section provided and shall not be entitled to vote or to exercise any other rights
27 of a shareholder.

28 ~~(5)~~ ~~(4)~~ No demand may be withdrawn unless the parent corporation consents. If,
29 however, the demand shall be withdrawn upon consent, or if the plan shall be abandoned, or if no
30 demand or petition for the determination of fair value by a court shall have been made or filed
31 within the time provided in this section, or if a court of competent jurisdiction shall determine
32 that the shareholder is not entitled to the relief provided by this section, then the right of the
33 shareholder to be paid the fair value of his or her shares shall cease and his or her status as a

1 shareholder shall be restored, without prejudice to any corporate proceedings which may have
2 been taken during the interim.

3 ~~(6)~~ ~~(5)~~ Within ten (10) days after the effective date of the acquisition under the plan, the
4 parent corporation shall make a written offer to each shareholder who has made demand to pay
5 for the shares at a specified price deemed by the corporation to be fair value ~~thereof~~ of the shares.
6 The notice and offer shall be accompanied by a balance sheet of the insurance company as of the
7 latest available date and not more than twelve (12) months prior to the making of the offer, and a
8 profit and loss statement of the insurance company for the twelve (12) month period ended on the
9 date of the balance sheet.

10 ~~(7)~~ ~~(6)~~ If within thirty (30) days after the effective date of the acquisition under the plan
11 the fair value of the shares is agreed upon between any dissenting shareholder and the parent
12 corporation, payment ~~therefor~~ for the shares shall be made within ninety (90) days after the
13 effective date of the acquisition under the plan upon surrender of the certificate or certificates
14 representing the shares. Upon payment of the agreed value, the dissenting shareholder shall cease
15 to have any interest in the shares.

16 ~~(8)~~ ~~(7)~~ If, within the period of thirty (30) days, a dissenting shareholder and the parent
17 corporation do not ~~so~~ agree as provided in subdivision (g)(7), then the parent corporation shall
18 file a petition in any court of competent jurisdiction in the county in this state where the insurance
19 company maintains its principal office praying that the fair value of the shares be found and
20 determined; provided, that the parent corporation shall have received a written request for the
21 filing from any dissenting shareholder given within sixty (60) days after the effective date of the
22 acquisition under the plan, and the parent corporation shall file the petition within thirty (30) days
23 after receipt of the request. If no request is made, the parent corporation may at its election file a
24 petition at any time within sixty (60) days after the effective date of the acquisition date of the
25 plan. If the parent corporation shall fail to institute the proceeding, any dissenting shareholder
26 may do so in the name of the parent corporation.

27 ~~(9)~~ ~~(8)~~ The subsidiary insurance company shall join as a party petitioner in the
28 proceeding, and in the event that the insurance company shall fail to do so, the court upon the
29 motion of any party shall join the insurance company as a party petitioner.

30 ~~(10)~~ ~~(9)~~ All dissenting shareholders, wherever residing, shall be made parties to the
31 proceeding as an action against their shares quasi in rem. A copy of the petition shall be served on
32 each dissenting shareholder who is a resident of this state and shall be served by registered or
33 certified mail on each dissenting shareholder who is a nonresident. Service on nonresidents shall
34 also be made by publication as provided by law. The jurisdiction of the court shall be plenary and

1 exclusive. All shareholders who are parties to the proceeding shall be entitled to judgment against
2 the parent corporation and the subsidiary insurance company jointly and severally for the amount
3 of the fair value of their shares, and execution shall issue upon the motion of any party respondent
4 against either or both of the parent corporation and the subsidiary insurance company and their
5 respective assets, and any execution so issued against the insurance company shall have priority
6 over the claims of any other shareholder.

7 (11) ~~(10)~~ The court may, if it so elects, appoint one or more persons as appraisers to
8 receive evidence and recommend a decision on the question of fair value. The appraisers shall
9 have the power and authority specified in the order of their appointment or an amendment of the
10 order. The judgment shall be payable only upon and concurrently with the surrender to the parent
11 corporation of the certificate or certificates representing the shares. Upon payment of the
12 judgment, the dissenting shareholder shall cease to have any interest in the shares.

13 (12) ~~(11)~~ The judgment shall include an allowance for interest at a rate that the court may
14 find to be fair and equitable in all the circumstances, from the date of acquisition proposed in the
15 plan to the date of payment.

16 (13) ~~(12)~~ The costs and expenses of any proceeding shall be determined by the court and
17 shall be assessed against the parent corporation, but all or any part of the costs and expenses may
18 be apportioned and assessed as the court may deem equitable against any or all of the dissenting
19 shareholders who are parties to the proceeding to whom the parent corporation shall have made
20 an offer to pay for the shares, if the court shall find that the action of the shareholders in failing to
21 accept the offer was arbitrary or vexatious or not in good faith. The expenses shall include
22 reasonable compensation for and reasonable expenses of the counsel for any experts employed by
23 any party; but if the fair value of the share as determined materially exceeds the amount which
24 the parent corporation offered to pay, or if no offer was made, the court in its discretion may
25 award to any shareholder who is a party to the proceeding the sum as the court may determine to
26 be reasonable compensation to any expert or experts employed by the shareholder in the
27 proceeding.

28 (14) ~~(13)~~ Within twenty (20) days after demanding payment for his or her shares, each
29 shareholder demanding payment shall submit the certificate or certificates representing his or her
30 shares to the parent corporation for notation ~~thereon~~ on the certificate or certificates that the
31 demand has been made. The shareholder's failure to do so shall, at the option of the parent
32 corporation, terminate the shareholder's rights under this subsection unless a court of competent
33 jurisdiction, for good and sufficient cause shown, otherwise directs. If shares represented by a
34 certificate on which notation has been so made shall be transferred, each new certificate issued

1 shall bear similar notation, together with the name of the original dissenting holder of the shares,
2 and a transferee of the shares shall acquire by transfer no rights in the insurance company other
3 than those which the original dissenting shareholder had after making demand for payment of the
4 fair value ~~thereof~~ of the shares.

5 **27-1-40. Conversion to stock form of organization.** -- (a) Any mutual insurance
6 company created under the laws of this state which meets or exceeds all capital and surplus funds
7 required by law for the transaction of business in Rhode Island may convert to and become an
8 insurance company with a capital stock form of organization upon adoption of a plan of
9 conversion by two-thirds (2/3) vote of the board of directors or other governing body and
10 approval of the plan by the director of the department of business regulation and the affirmative
11 vote of one half (1/2) of its members or policyholders present in person or by proxy at a meeting
12 called by the board of directors or other governing body. Unless otherwise provided in its charter
13 or ~~by laws~~ bylaws or plan of conversion, each member or policyholder shall have one vote, and in
14 the case of any policy or contract of group life or other group insurance, the employer or other
15 person to whom or in whose name the master policy or contract has been issued shall be deemed
16 to be the member or policyholder and shall be entitled to one vote for each policy or contract of
17 group insurance irrespective of the number of individuals insured. The plan of conversion shall
18 provide that the insurance company shall issue and sell the stock issued in connection with the
19 conversion at a price which represents its pro forma market value, as determined by an
20 independent appraisal, and shall offer its stock, initially, in a subscription offering to the members
21 or policyholders, individuals in the insurance company's management, and employee groups of
22 the insurance company on an eligibility record date established by the board of directors, giving
23 the members or policyholders, individuals in the insurance company's management, and
24 employee groups priority rights to purchase the shares over the general public pro rata. The plan
25 of conversion may provide for the establishment of accounts for the benefit of members or
26 policyholders pursuant to which the converting insurance company shall provide for the
27 continued maintenance of its dividend practices required by existing charter, ~~by laws~~ bylaws, or
28 policy provisions relative to its then existing lines of business, but assets in the account will be
29 assets of the converting insurance company, subject to liabilities in the same manner and priority
30 as all other assets of the company. The plan of conversion may provide for restrictions on the
31 amount of stock which any person or entity may purchase in the conversion, or own or control
32 ~~thereafter~~ after this, which may also be incorporated into the stock charter or agreement of
33 association of the converted entity.

1 (b) In connection with the conversion, the insurance company may form a holding
2 company or utilize an existing holding company to hold all the shares of the converted entity, and
3 offer to its members or policyholders and the general public, subject to subscription rights in
4 favor of members or policyholders as stated ~~above~~ in subsection (a), all of the stock of the
5 holding company in lieu of the capital stock of the converting insurance company. The converting
6 insurance company may, at the time of the conversion, merge any insurance company subsidiary
7 into the capital stock entity resulting from the conversion, or cause the subsidiary to become a
8 separate subsidiary of a holding company.

9 (c) The corporate existence of an insurance company converting to the stock form of
10 organization shall not terminate, but the converted institution shall be deemed to be a
11 continuation of entity of the converted insurance company ~~so converted~~.

12 (d) The director of the department of business regulation, upon finding that the
13 requirements of this section and applicable regulations have been met, that the terms and
14 conditions of the plan are fair and equitable, and that the conversion has been completed with the
15 sale of all shares offered in the conversion, shall issue a certificate of approval of the conversion
16 to the converted entity. Upon the payment of fifty dollars (\$50.00), the certificate of approval
17 shall be filed in the office of the secretary of state, together with the certificate of the general
18 treasurer that the converted entity has paid into the treasury for the use of the state a sum equal to
19 one-tenth of one percent (.1%) of the capital stock, but in no event less than ten thousand dollars
20 (\$10,000). Upon the filing of the certificate with the secretary of state and payment of fifty dollars
21 (\$50.00), the secretary of state shall immediately record the certificate of approval and stock
22 charter or agreement of association, ~~whereupon~~ then the stock charter or agreement of association
23 will become effective.

24 (e) The director of the department of business regulation may employ staff personnel ~~as~~
25 ~~well as and~~ professional consultants and other persons to assist in the review of the plan of
26 conversion and may hold public hearings as, in the director's discretion, are desirable prior to
27 granting approval of the plan of conversion. All reasonable costs related to the review of the plan
28 of conversion, including the costs attributable to staff personnel and professional consultants,
29 shall be borne by the insurance company filing a plan of conversion for approval.

30 (f) The department of business regulation shall issue rules and regulations implementing
31 this section, which shall be administered by the director of the department of business regulation.

32 (g) To the extent not inconsistent ~~herewith~~ with this section, each insurance company
33 converted into a capital stock insurance company shall have all the powers, privileges, including
34 the right to merge, convert, or otherwise restructure its corporate form upon a two-thirds (2/3)

1 vote of its stockholders and subject to any regulatory approval as required by law, and duties and
2 liabilities imposed upon insurance companies generally under the laws of this state, as applicable.
3 Unless otherwise governed by the laws of this state specifically applicable to insurance
4 companies, a capital stock entity converted pursuant to this section shall be subject to the general
5 provisions of the Rhode Island Business Corporation Act, chapter 1.1 of title 7, with respect to its
6 corporate governance.

7 SECTION 6. Section 27-1.1-4 of the General Laws in Chapter 27-1 entitled “Credit for
8 Reinsurance Act” is hereby amended to read as follows:

9 **27-1.1-4. Rules and regulations.** -- The commissioner may adopt reasonable
10 rules and regulations implementing the provisions of this law.

11 SECTION 7. Section 27-1.1-8 of the General Laws in chapter 27-1 entitled
12 “Credit for Reinsurance Act” is hereby repealed.

13 ~~**27-1.1-8. Regulations.** -- The commissioner may adopt reasonable rules and regulations~~
14 ~~for the implementation of this chapter.~~

15 SECTION 8. Section 27-2-25 of the General Laws in Chapter 27-2 entitled “Foreign
16 Insurance Companies” is hereby amended to read as follows:

17 **27-2-25. Notice of revocation or suspension of license.** -- The insurance
18 commissioner shall give written notice to the company specifying the date on which any
19 revocation or suspension shall be effective, the term of any suspension, and the ground
20 for the revocation or suspension; provided, that if the ground for revocation or suspension
21 is that the company has violated any provision of law or has failed to comply with its
22 charter, the effective date of the revocation or suspension shall be not less than ten (10)
23 days from the date of issue of the notice, and the particulars of the violation or failure to
24 comply with its charter shall be specified in the notice. The notice shall be served by
25 registered or certified mail, sent postage prepaid, and addressed to the company at its last
26 home office address, or in the case of a company of a foreign country, sent to its resident
27 manager in the United States or at his last address appearing on the records of the
28 insurance commissioner. An affidavit of the insurance commissioner in any form as the
29 commissioner may prescribe, or of anyone authorized by him or her to give notice,
30 appended to a copy ~~thereof~~ of the notice, that the notice has been mailed as provided
31 ~~above~~ in this section shall be prima facie evidence that the notice has been duly given.
32 The insurance commissioner shall also cause notice of the revocation or suspension to be

1 published in any manner as the commissioner may deem necessary for the protection of
2 the public.

3 SECTION 9. Section 27-2.1-4 of the General Laws in Chapter 27-2.1 entitled
4 “Additional Fees for Foreign Insurance Companies” is hereby amended to read as
5 follows:

6 **27-2.1-4. Use of fees.** -- Any and all fees as prescribed by this ~~section~~ chapter
7 shall be paid to the general treasurer of the state of Rhode Island.

8 SECTION 10. Sections 27-2.4-20 of the General Laws in Chapter 27-2.4 entitled
9 “Producer Licensing Act” is hereby amended to read as follows:

10 **27-2.4-20. Revocation or modification of insurance producer’s contract —**
11 **Procedures.** -- (a) No company shall cancel the authority of an insurance producer, if the
12 insurance producer is not an employee of the company, and no company shall modify a contract
13 with that insurance producer unless the company gives written notice of its intent to cancel that
14 insurance producer or its intent to modify the contract at least one hundred eighty (180) days
15 before the proposed effective date of any cancellation or at least one hundred eighty (180) days
16 before the proposed effective date of any modification. No company shall allow the license of
17 that insurance producer to expire unless the company gives written notice of its intent to do so at
18 least one hundred eighty (180) days before the proposed effective date of expiration because of
19 cancellation. Except as otherwise provided in this section, any insurance producer receiving
20 notice of cancellation, modification, or expiration may, within sixty (60) days after receipt of the
21 notice, make a written demand for reference to three (3) referees of the question as to whether or
22 not the cancellation, modification, or expiration will ~~so~~ affect the renewal, continuation, or
23 replacement of any policies placed with the company through the efforts of the insurance
24 producer, or the services needed by any policyholder doing business with the company as a result
25 of the efforts of the insurance producer, as to justify renewal or continuation of any policies then
26 in effect having been placed with the company by that insurance producer. In the event the
27 referees find that the cancellation, modification, or expiration will ~~so~~ affect the renewal,
28 continuation, or replacement of any policies placed with the company through the efforts of the
29 insurance producer, or the services needed by any policyholders doing business with the company
30 as a result of the efforts of the insurance producer, then the referees shall order continuance or
31 renewal of any policies expiring within a period of twelve (12) months of the issuance of the
32 notice, at a rate of compensation to the insurance producer equal to that as provided in the
33 agreement expiring or being ~~so~~ cancelled or modified, for one additional policy period equal in

length to the most recent policy period of the expiring policy, but in no event for more than one year. ~~However, the~~ The referees shall not order continuance or renewal of any policies if they find that the reason for the cancellation or expiration of the agreement by the company was legitimately based upon one of the following grounds:

(1) The insurance producer was convicted of a dishonest act related to his or her occupation as an insurance agent;

(2) The insurance producer's license to engage as an insurance producer was revoked; or

(3) The company surrendered its license to do business in the state.

(b) An insurance producer making a written demand for a reference shall accompany the written demand with the names and addresses of three (3) persons, whereupon the company shall, within fifteen (15) days, notify the insurance producer of its choice of one of the persons to act as one of the referees and at the same time submit the names and addresses of three (3) persons to the insurance producer, who shall, within fifteen (15) days after receiving these names, notify the company in writing of his her choice of one of the persons to act as a second referee. At the same time the insurance producer shall notify the commissioner, the notice to be on a form prescribed by the commissioner, that both the company and insurance producer have chosen referees. Within ten (10) days of the receipt of this notice the commissioner shall appoint a person to serve as third referee, and shall notify that person, the insurance producer, and the company in writing of this appointment. Each person nominated or appointed as a referee shall be a disinterested person, shall be a resident of the state, and shall be willing to act as a referee. Within ten (10) working days of the appointment of the third referee, who shall serve as chairperson, the three (3) referees shall meet, hear evidence, and reduce their decisions to writing and sign it, and shall deliver a copy of the decision to the insurance producer, to the company, and to the commissioner. In the event any company receiving a written demand for a reference fails to comply with the provisions of this subsection, then the insurance producer shall have the authority to renew or continue any policies placed with that company through the efforts of the insurance producer expiring within a period of thirteen (13) months from the date of the notice of cancellation, modification, or expiration of the agreement, at a rate of compensation to the insurance producer equal to that as provided in the agreement expiring or being ~~so~~ cancelled or modified, for one additional policy period equal in length to the most recent policy period of the expiring policy, but in no event for more than one year.

(c) Any insurance company and any insurance producer may by written contract agree to modify the provisions of subsections (a) and (b) of this section other than the requirement of a one hundred eighty (180) day notice in the event of cancellation or a one hundred eighty (180)

1 day notice in the event of modification of a contract or of intent to allow the expiration of a
2 license, by provisions presented to and approved by the commissioner which he or she finds after
3 due hearing and investigation will adequately protect both the right of the policyholder to a
4 continuance of insurance and the services of any insurance producer of his or her own choosing
5 and the right of the insurance producer to fair compensation for the insurance placed with a
6 company as a result of the insurance producer's efforts. The commissioner may make reasonable
7 rules of general application regarding these modified provisions.

8 (d) The decision of the referees may provide for the renewal or continuance of any or all
9 policies expiring within a period of twelve (12) months of the issuance of any notice, at a rate of
10 compensation to the insurance producer equal to that as provided in the agreement expiring or
11 being ~~so~~ cancelled or modified, for one additional policy period equal in length to the most recent
12 policy period of the expiring policy, but in no event for more than one year. The decision of the
13 referees may also provide for the continuance of previous contractual provisions, if the referees,
14 or a majority of them, find that the decision will best protect the right of a policyholder to a
15 continuance of insurance and the services of an insurance producer of his or her own choosing
16 and the right of any insurance producer to compensation for the insurance placed with a company
17 as a result of his or her efforts, giving due consideration to the possibility the affected insurance
18 producer has of obtaining similar coverage for policyholders affected from other companies at
19 reasonable compensation. The decisions rendered in accordance with the provisions of this
20 section providing for reference shall be binding on all companies and insurance producer affected
21 by those decisions. If a decision orders the renewal or continuance of any policies, policyholders
22 and the affected insurance producer shall be entitled in all respects to the same services and
23 practices as were in effect prior to reference insofar as amounts and types of coverage, credit
24 terms, commissions paid to the insurance producer, and insurance producer services are also
25 continued.

26 (e) All policies expiring within twelve (12) months of the notice may be renewed for the
27 policy periods as provided in subsection (d) of this section ~~above~~, but no insurance producer or
28 company relying on this section shall again refer the same issue to referees. Where other
29 provisions of the general laws require notice to policyholders before non -renewal of any
30 coverages, the company shall, at the request of the insurance producer who is unable to replace
31 any policy which has been renewed for one or more policy periods in accordance with this
32 section, comply with those provisions of law.

33 (f) An insurance producer initiating reference under this section and the company
34 receiving written demand shall each be liable for the payment of the reasonable charges

1 and expenses of his or her nominee for referee and one-half (1/2) of the compensation for
2 the reasonable charges and expenses of the third referee. The third referee shall upon the
3 execution of the decision furnish the insurance producer and the company with a written
4 statement specifying in detail his or her charges for compensation and expenses. The
5 insurance producer or the company, if aggrieved by these charges, may petition the
6 commissioner for review. The petition shall set forth with particularity the specific item
7 or charges in dispute. The commissioner shall, within ten (10) days of receipt of the
8 petition, notify the interested parties of the date established for a hearing on the petition
9 and, after the hearing, the commissioner shall approve or disapprove the charges in whole
10 or in part, his or her findings and decisions shall be final and conclusive.

11 SECTION 11. Sections 27-3.2-5 and 27-3.2-9 of the General Laws in chapter 27-
12 3.2 entitled "Continuing Education Requirements" are hereby amended to read as
13 follows:

14 **27-3.2-5. Continuing education advisory board.** -- There shall hereby be is established
15 the continuing education advisory board. This board shall consist of two (2) representatives of the
16 Rhode Island Life Underwriters Association, three (3) representatives of the Independent
17 Insurance Agents of Rhode Island, two (2) representatives of the Chartered Life Underwriters,
18 and two (2) representatives of the Chartered Property and Casualty Underwriters. The board
19 members shall be appointed by the commissioner and shall serve two (2) year terms; ~~provided,~~
20 ~~however, that the initial term of one representative of each of the above organizations shall be one~~
21 ~~year.~~ The board shall meet at least once a year and additionally as required. This board shall
22 advise the insurance commissioner on the plans and operations of the continuing education
23 program for any person licensed pursuant to this title and not exempt under § 27-3.2-3.

24 **27-3.2-9. Fee.** -- Notwithstanding any provision of the general laws to the contrary, there
25 is hereby established a fee of five dollars (\$5.00) per annum, which shall be paid by all persons
26 licensed pursuant to chapter ~~2-3~~ 2.4 of this title, and shall be deposited as general revenues.

27 SECTION 12. Sections 27-4-6, 27-4-13.1, 27-4-17, 27-4-18 and 27-4-22 of the General
28 Laws in chapter 27-4 entitled "Life Insurance Policies and Reserves" are hereby amended to read
29 as follows:

30 **27-4-6. Terms to be stated in policy — Rebates prohibited.** -- (a) No life insurance
31 corporation doing business in this state, nor any insurance producer ~~thereof~~ of the corporation,
32 shall permit, offer, or make any contract of insurance or agreement as to any contract other than
33 as plainly expressed in the policy issued ~~thereon~~ on the contract or agreement; nor shall any

1 company or any officer, insurance producer, or representative ~~thereof~~ of the company or producer
2 pay, allow, or give, or offer to pay, allow, or give, directly or indirectly, as inducement to any
3 person to insure, or give, sell, or purchase, or offer to give, sell, or purchase as an inducement or
4 in connection with any insurance, any stocks, bonds, or other securities of any insurance company
5 or other corporation, association, or partnership, or any dividends or profits accruing ~~thereon~~ on
6 the securities, or any valuable consideration or inducement whatever not specified in the policy,
7 nor shall any person knowingly receive as an inducement any rebate of premium, or any special
8 favor or advantage in the dividends or other benefits, ~~to accrue thereon~~, or any paid employment
9 or contract for services of any kind, or any valuable consideration or inducement whatever, not
10 specified in the policy.

11 ~~(b) Provided, however, that~~ Nothing in this section shall be construed as to forbid a
12 company transacting industrial insurance on a weekly payment plan from returning to
13 policyholders who have made premium payments for a period of at least one year, directly to the
14 company at its home or district offices, a percentage of the premium which the company would
15 have paid for the weekly collection of the premiums.

16 **27-4-13.1. Policy loan interest rates.** -- (a) ~~The term~~ “Published monthly average”
17 means:

18 (1) Moody’s corporate bond yield average — monthly average corporates, as published
19 by Moody’s Investors Service, Inc. or any successor; ~~thereto~~; or

20 (2) In the event that the Moody’s corporate bond yield average — monthly average
21 corporates is no longer published, a substantially similar average, established by regulation issued
22 by the commissioner.

23 (b) (1) Policies issued on or after May 25, 1982, shall provide for policy loan interest
24 rates as follows:

25 (i) A provision permitting a maximum interest rate of not more than eight percent (8%)
26 per annum; or

27 (ii) A provision permitting an adjustable maximum interest rate established from time to
28 time by the life insurer as permitted by law.

29 (2) The rate of interest charged on a policy loan made under subdivision (b)(1)(ii) shall
30 not exceed the higher of the following:

31 (i) The published monthly average for the calendar month ending two (2) months before
32 the date on which the rate is determined; or

33 (ii) The rate used to compute the cash surrender values under the policy during the
34 applicable period plus one percent (1%) per annum.

(3) If the maximum rate of interest is determined pursuant to subdivision (b)(1)(ii), the policy shall contain a provision setting forth the frequency at which the rate is to be determined for that policy.

(4) The maximum rate for each policy must be determined at regular intervals at least once every twelve (12) months, but not more frequently than once in any three (3) month period. At the intervals specified in the policy:

(i) The rate being charged may be increased ~~whenever~~ an increase as determined under subdivision (b)(2) would increase that rate by one half of one percent (.5%) or more per annum;

(ii) The rate being charged must be reduced ~~whenever~~ a reduction as determined under subdivision (b)(2) would decrease that rate by one half of one percent (.5%) or more per annum.

(5) The life insurer shall:

(i) Notify the ~~policy holder~~ **policyholder** at the time a cash loan is made of the initial rate of interest on the loan;

(ii) Notify the ~~policy holder~~ **policyholder** with respect to premium loans of the initial rate of interest on the loan as soon as it is reasonably practical to do so after making the initial loan.

Notice does not need ~~not to~~ be given to the policyholder when a further premium loan is added, except as provided in subdivision (b)(5)(iii);

(iii) Send to policyholders with loans reasonable advance notice of any increase in the rate; and

(iv) Include in the notices required ~~above~~ in subdivision (5) of this section the substance of the pertinent provisions of subdivisions (b)(1) and (b)(3).

(6) No policy shall terminate in a policy year as the sole result of a change in the interest rate during that policy year, and the life insurer shall maintain coverage during that policy year until the time at which it would ~~otherwise~~ have terminated if there had been no change during that policy year.

(7) The substance of the pertinent provisions of subdivisions (b)(1) and (b)(3) shall be set forth in the policies to which they apply.

(8) For purposes of this section:

(i) The rate of interest on policy loans permitted under this section includes the interest rate charged on the reinstatement of policy loans for the period during and after any lapse of a policy;

(ii) ~~The term~~ "Policy loan" includes any premium loan made under a policy to pay one or more premiums that were not paid to the life insurer as they ~~fell~~ became due;

1 (iii) ~~The term~~ “Policyholder” includes the owner of the policy or the person designated to
2 pay premiums as shown on the records of the life insurer; and

3 (iv) ~~The term~~ “Policy” includes certificates issued by a fraternal benefit society and
4 annuity contracts ~~which that~~ provide for policy loans.

5 (9) No other provision of law shall apply to policy loan interest rates unless made
6 specifically applicable to those rates.

7 (c) The provisions of this section shall not apply to any insurance contract issued before
8 May 25, 1982, unless the policyholder agrees in writing to the applicability of this section.

9 **27-4-17. Annual valuation of policies and reserves.** -- a) The director of business
10 regulation shall ~~annually make annual~~ valuations of all outstanding policies, additions ~~thereto to~~
11 policies, unpaid dividends, and all other obligations of every life insurance corporation doing
12 business in this state. All valuations made by the director, or by his or her authority, shall be
13 made upon the net premium basis. The legal minimum standard for valuation of contracts issued
14 before January 1, 1907, shall be the American experience table of mortality with the interest at
15 four percent (4%) per annum, and for contracts issued on or after that date the same table of
16 mortality with interest at three and one-half percent (3 1/2%) per annum. Any company may
17 adopt as a legal minimum standard, for the valuation of life insurance policies issued on or after
18 January 1, 1948, the commissioners reserve valuation method, with interest at three and one-half
19 percent (3 1/2%) per annum, or in the case of policies issued on or after April 17, 1975, four
20 percent (4%) per annum for policies issued prior to April 27, 1979, and four and one-half percent
21 (4 1/2%) per annum for policies issued on or after April 27, 1979, and either the commissioners
22 1941 standard ordinary mortality table or the commissioners 1958 standard ordinary mortality
23 table for ordinary policies, and either the 1941 standard industrial mortality table or the
24 commissioners 1961 standard industrial mortality table or any industrial mortality table, adopted
25 after 1980 by the National Association of Insurance Commissioners, that is approved by
26 regulation promulgated by the commissioner for use in determining the minimum standard of
27 valuation for industrial policies, for industrial policies in lieu of the legal minimum standard
28 ~~hereinabove~~ allowed by this section.

29 (b) The interest rates used in determining the minimum standard for the valuation of all
30 life insurance policies issued in a particular calendar year on or after May 15, 1981, shall be the
31 calendar year statutory valuation interest rates as defined in this section.

32 (c) (1) The calendar year statutory valuation interest rates shall be determined as follows
33 and the results rounded to the nearer one-quarter of one percent (.25%):

34 For life insurance:

1 $I = .03 + W (R1 - .03) + W/2 (R1 - .09)$; where R1 is the lesser of R and .09, R2 is the greater of
2 R and .09, R is the reference interest rate defined in this section, and W is the weighting factor
3 defined in this section;

4 (2) ~~However, if~~ If the calendar year statutory valuation interest rate for any life insurance
5 policies issued in any calendar year determined without reference to subdivision (c)(1) differs
6 from the corresponding actual rate for similar policies issued in the immediately preceding
7 calendar year by less than one-half of one percent (.5%), the calendar year statutory valuation
8 interest rate for these life insurance policies shall be equal to the corresponding actual rate for the
9 immediately preceding calendar year. For the purposes of applying the provisions in this
10 subdivision ~~the immediately preceding sentence~~, the calendar year statutory valuation interest rate
11 for life insurance policies issued in a calendar year shall be determined for 1980 using the
12 reference interest rate defined for 1979 and shall be determined for each subsequent calendar
13 year.

14 (3) The weighting factors referred to in the formula stated ~~above~~ in subdivision (c)(1) are
15 given in the following table:

16 Weighting Factors for Life Insurance:

17 Guarantee	
18 Duration	Weighting
19 (Years)	Factors
20 10 or less	.50
21 More than 10, but not more than 20	.45
22 More than 20	.35

23 For life insurance, the guarantee duration is the maximum number of years the life insurance
24 can remain in force on a basis guaranteed in the policy or under options to convert to plans of life
25 insurance with premium rates or non-forfeiture values or both which are guaranteed in the
26 original policy.

27 (4) The reference interest rate referred to in subdivision (c)(1) shall be defined as follows:

28 (i) For all life insurance, the lesser of the average over a period of thirty-six (36) months
29 and the average over a period of twelve (12) months, ending on June 30 of the calendar year next
30 preceding the year of issue, of Moody's corporate bond yield average — monthly average
31 corporates, as published by Moody's Investors Service, Inc., or any successor; ~~hereto~~; or

32 (ii) In the event that the Moody's corporate bond yield average — monthly average
33 corporates is no longer published by Moody's Investors Service, Inc., or in the event that the
34 National Association of Insurance Commissioners determines that the Moody's corporate bond

yield average — monthly average corporates, as published by Moody's Investors Service, Inc., is no longer appropriate for the determination of the reference interest rate, then an alternative method for determination of the reference interest rate, which is adopted by the National Association of Insurance Commissioners and approved by regulation promulgated by the commissioner, may be substituted.

(d) The mortality table used in determining the minimum standard for the valuation of ordinary life insurance policies issued on or after May 15, 1981, shall be:

(1) The commissioner's 1980 standard ordinary mortality table;

(2) At the election of the company for any one or more specified plans of life insurance, the commissioner's 1980 standard ordinary mortality table with ten (10) year select mortality factors; or

(3) Any ordinary mortality table, adopted after 1980 by the National Association of Insurance Commissioners, that is approved by regulation promulgated by the commissioner for use in determining the minimum standard of valuation for these policies.

(e) Reserves for any category of policies or contracts may be calculated, at the option of the insurer, according to any standard or standards which produce greater aggregate reserves for all policies or contracts than the legal minimum standard or standards.

27-4-18. Variance from valuation standards. -- The director of business regulation may vary the standards of interest and mortality in the case of corporations from foreign countries as to contracts issued by these corporations in countries other than the United States, and in particular cases of invalid lives and other extra hazards, and value policies seriatim or in groups, use approximate averages for fractions of a year and otherwise, and accept the valuation of the department of insurance of any other state or country if made upon the basis of, and according to, standards not lower than ~~herein~~ required or authorized by §§ 27-4-17 — 27-4-20, in place of the valuation ~~herein~~ required by §§ 27-4-17 — 27-4-20.

27-4-22. Assignment of interest under group life insurance. — Subject to the terms of the policy relating to assignment of incidents of ownership ~~thereunder~~ under the policy, a person whose life is insured under a policy of group life insurance may assign any or all incidents of ownership granted that person under the policy, including but not limited to any right to designate a beneficiary, to have an individual policy issued to him or her, and to pay premiums. Any assignment by the insured, ~~made either before or after May 7, 1970,~~ shall be valid for the purpose of vesting in the assignee, in accordance with any provisions included ~~therein~~ in the policy as to the time at which it is to be effective, all of the incident of ownership so assigned, but without prejudice to the insurer on account of any payment it may make on individual policy it may issue

1 without notice of the assignment. ~~This section shall be construed as being declaratory of the law~~
2 ~~in effect prior to May 7, 1970 and not as modifying, altering, or amending that law.~~

3 SECTION 13. Section 27-4.2-5 of the General Laws in chapter 27-4.2 entitled “Life and
4 health Reinsurance Agreements Act” is hereby repealed.

5 ~~**27-4.2-5. Existing agreements.** Insurers subject to this chapter shall reduce to zero (0)~~
6 ~~by December 31, 1997, any reserve credits or assets established with respect to reinsurance~~
7 ~~agreements entered into prior to the effective date of this law which, under the provisions of this~~
8 ~~law would not be entitled to recognition of the reserve credits or assets; provided, however, that~~
9 ~~the reinsurance agreements shall have been in compliance with laws or regulations in existence~~
10 ~~immediately preceding the effective date of this regulation.~~

11 SECTION 14. Sections 27-4.3-5 and 27-4.3-8 of the General Laws in Chapter 27-4.3
12 entitled “The Standard Nonforfeiture Law for Life Insurance” are hereby amended to read as
13 follows:

14 **27-4.3-5. Calculations of adjusted premiums by the nonforfeiture net level premium**
15 **method.** -- (a) This section shall apply to all policies issued on or after January 1, 1994. Except
16 as provided in subsection (g) of this section, the adjusted premiums for any policy shall be
17 calculated on an annual basis and shall be a uniform percentage of the respective premiums
18 specified in the policy for each policy year, excluding amounts payable as extra premiums to
19 cover impairments or special hazards, and also excluding any uniform annual contract charge or
20 policy fee specified in the policy in a statement of the method to be used in calculating the cash
21 surrender values and paid up nonforfeiture benefits, so that the present value, at the date of issue
22 of the policy, of all adjusted premiums shall be equal to the sum of: (1) the then present value of
23 the future guaranteed benefits provided for by the policy; (2) one percent (1%) of either the
24 amount of insurance, if the insurance be uniform in amount, or the average amount of insurance
25 at the beginning of each of the first ten (10) policy years; and (3) one hundred twenty-five percent
26 (125%) of the nonforfeiture net level premium as ~~hereinafter~~ defined in subsection (b); provided,
27 however, that in applying the percentage specified in ~~(item 3) above~~ subdivision (a)(3), no
28 nonforfeiture net level premium shall be deemed to exceed four percent (4%) of either the amount
29 of insurance, if the insurance is uniform in amount, or the average amount of insurance at the
30 beginning of each of the first ten (10) policy years. The date of issue of a policy for the purpose
31 of this section shall be the date as of which the rated age of the insured is determined.

32 (b) The nonforfeiture net level premium shall be equal to the present value, at the date of
33 issue of the policy, of the guaranteed benefits provided for by the policy divided by the present

1 value, at the date of issue of the policy, of an annuity of one per annum payable on the date of
2 issue of the policy and on each anniversary of the policy on which a premium falls due.

3 (c) In the case of policies which cause on a basis guaranteed in the policy unscheduled
4 changes in benefits or premiums, or which provide an option for changes in benefits or premiums,
5 other than a change to a new policy, the adjusted premiums and present values shall initially be
6 calculated on the assumption that future benefits and premiums do not change from those
7 stipulated at the date of issue of the policy. At the time of any change in the benefits or premiums
8 the future adjusted premiums, nonforfeiture net level premiums, and present values shall be
9 recalculated on the assumption that future benefits and premiums do not change from those
10 stipulated by the policy immediately after the change.

11 (d) Except as otherwise provided in subsection (g), the recalculated future adjusted
12 premiums for any policy shall be a uniform percentage of the respective future premiums
13 specified in the policy for each policy year, excluding amounts payable as extra premiums to
14 cover impairments and special hazards, and also excluding any uniform annual contract charge or
15 policy fee specified in the policy in a statement of the method to be used in calculating the cash
16 surrender values and paid up nonforfeiture benefits, so that the present value, at the time of
17 change to the newly defined benefits or premiums, of all future adjusted premiums shall be equal
18 to the excess of: (1) the sum of: (i) the then present value of the then future guaranteed benefits
19 provided for by the policy and (ii) the additional expense allowance, if any, over (2) the then cash
20 surrender value, if any, or present value of any paid up nonforfeiture benefit under this policy.

21 (e) The additional expense allowance, at the time of the change to the newly defined
22 benefits or premiums, shall be the sum of: (1) one percent (1%) of the excess, if positive, of the
23 average amount of insurance at the beginning of each of the first ten (10) policy years subsequent
24 to the change over the average amount of insurance prior to the change at the beginning of each
25 of the first ten (10) policy years subsequent to the time of the most recent previous change, or, if
26 there has been no previous change, the date of issue of the policy; and (2) one hundred twenty-
27 five percent (125%) of the increase, if positive, in the nonforfeiture net level premium.

28 (f) The recalculated nonforfeiture net level premium shall be equal to the result obtained
29 by dividing subdivision (f)(1) by subdivision (f)(2) where:

30 (1) Equals the sum of:

31 (i) The nonforfeiture net level premium applicable prior to the change multiplied by the
32 present value of an annuity of one per annum payable on each anniversary of the policy on or
33 subsequent to the date of the change on which a premium would have fallen due had the change
34 not occurred, and

(ii) The present value of the increase in future guaranteed benefits provided for by the policy; and

(2) Equals the present value of an annuity of one per annum payable on each anniversary of the policy on or subsequent to the date of change on which a premium falls due.

(g) Notwithstanding any other provisions of this section to the contrary, in the case of a policy issued on a substandard basis which provides reduced graded amounts of insurance so that, in each policy year, the policy has the same tabular mortality cost as an otherwise similar policy issued on the standard basis which provides for a higher uniform amount of insurance, adjusted premiums and present values for the substandard policy may be calculated as if it were issued to provide the higher uniform amounts of insurance on the standard basis.

(h) All adjusted premiums and present values referred to in this chapter shall for all policies of ordinary insurance be calculated on the basis of ~~(1)~~ the commissioners 1980 standard ordinary mortality table or, ~~(2)~~ at the election of the insurance company for any one or more specified plans of life insurance, the commissioners 1980 standard ordinary mortality table with ten (10) year select mortality factors; adjusted premiums and present values shall for all policies of industrial insurance be calculated on the basis of the commissioners 1961 standard industrial mortality table; and adjusted premiums and present values shall for all policies issued in a particular calendar year be calculated on the basis of a rate of interest not exceeding the nonforfeiture interest rate as defined in this section, for policies issued in that calendar year; provided, however, that:

(1) At the option of the insurance company, calculations for all policies issued in a particular calendar may be made on the basis of a rate of interest not exceeding the nonforfeiture interest rate, as defined in this section, for policies issued in the immediately preceding calendar year;

(2) Under any paid-up nonforfeiture benefit, including any paid-up dividend additions, any cash surrender value available, whether or not required by § 27-4.3-2, shall be calculated on the basis of the mortality table and rate of interest used in determining the amount of any paid-up nonforfeiture benefit and paid-up dividend additions, if any;

(3) An insurance company may calculate the amount of any guaranteed paid-up nonforfeiture benefit including any paid-up additions under the policy on the basis of an interest rate no lower than that specified in the policy for calculating cash surrender values;

(4) In calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than those shown in the commissioners 1980 extended term insurance table for policies

of ordinary insurance and not more than the commissioners 1961 industrial extended term insurance table for policies of industrial insurance;

(5) For insurance issued on a substandard basis, the calculation of any adjusted premiums and present values may be based on appropriate modifications of the ~~aforementioned~~ tables mentioned in this subsection;

(6) Any ordinary mortality tables, adopted after 1980 by the National Association of Insurance Commissioners, that are approved by regulation promulgated by the commissioner of insurance for use in determining the minimum nonforfeiture standard, may be substituted for the commissioners 1980 standard ordinary mortality table with or without ten (10) year select mortality factors or for the commissioners 1980 extended term insurance table; and

(7) Any industrial mortality tables, adopted after 1980 by the National Association of Insurance Commissioners, that are approved by regulation promulgated by the commissioner of insurance for use in determining the minimum nonforfeiture standard, may be substituted for the commissioners 1961 standard industrial mortality table or the commissioners 1961 industrial extended term insurance table.

(i) The nonforfeiture interest rate per annum for any policy issued in a particular calendar year shall be equal to one hundred and twenty-five percent (125%) of the calendar year statutory valuation interest rate for the policy as defined in chapter 4.5 of this title, rounded to the nearer one-quarter of one percent (~~1/4 of 1%~~) (.25%).

(j) Notwithstanding any other provision in this title to the contrary, any refiling of nonforfeiture values or their methods of computation for any previously approved policy form which involves only a change in the interest rate or mortality table used to compute nonforfeiture values shall not require refiling of any other provisions of that policy form.

27-4.3-8. Consistency of progression of cash surrender values with increasing policy duration. -- (a) This section, in addition to all other applicable sections of this chapter, shall apply to all policies issued on or after January 1, 1994. Any cash surrender value available under the policy in the event of default in a premium payment due on any policy anniversary shall be in an amount which does not differ by more than two tenths of one percent (.2%) of either the amount of insurance, if the insurance is uniform in amount, or the average amount of insurance at the beginning of each of the first ten (10) policy years, from the sum of: (1) the greater of zero (0) and the basic cash value ~~hereinafter~~ specified in subsection (b), and (2) the present value of any existing paid up additions less the amount of any indebtedness to the insurance company under the policy.

1 (b) The basic cash value shall be equal to the present value, on the anniversary, of the
2 future guaranteed benefits which would have been provided for by the policy, excluding any
3 existing paid-up additions and before deduction of any indebtedness to the insurance company, if
4 there had been no default, less the then present value of the nonforfeiture factors, as defined in
5 this section, corresponding to premiums which would have fallen due on and after the
6 anniversary; provided, ~~however,~~ that the effects on the basic cash value of supplemental life
7 insurance or annuity benefits or of family coverage, as described in § 27-4.3-3 or 27-4.3-5,
8 whichever is applicable, shall be the same as are the effects specified in § 27-4.3-3 or 27-4.3-5,
9 whichever is applicable, on the cash surrender values defined in that section.

10 (c) The nonforfeiture factor for each policy year shall be an amount equal to a percentage
11 of the adjusted premium for the policy year, as defined in § 27-4.3-5. Except as is required ~~by the~~
12 ~~next succeeding sentence of~~ in this subsection, the percentage:

13 (1) Must be the same percentage for each policy year between the second policy
14 anniversary and the later of: (i) the fifth policy anniversary, and (ii) the first policy anniversary at
15 which there is available under the policy a cash surrender value in an amount, before including
16 any paid-up additions and before deducting any indebtedness, of at least two tenths of one percent
17 (.2%) of either the amount of insurance, if the insurance is uniform in amount, or the average
18 amount of insurance at the beginning of each of the first ten (10) policy years; and

19 (2) Must be such that no percentage after the later of the two policy anniversaries
20 specified in subdivision (c)(1) may apply to fewer than five (5) consecutive policy years.

21 (d) No basic cash value may be less than the value which would be obtained if the
22 adjusted premiums for the policy, as defined in § 27-4.3-5, were substituted for the nonforfeiture
23 factors in the calculation of the basic cash value.

24 (e) All adjusted premiums and present values referred to in this section shall for a
25 particular policy be calculated on the same mortality and interest bases as are used in
26 demonstrating the policy's compliance with the other sections of this chapter. The cash surrender
27 values referred to in this section shall include any endowment benefits provided for by the policy.

28 (f) Any cash surrender value available other than in the event of default in a premium
29 payment due on a policy anniversary, and the amount of any paid up nonforfeiture benefit
30 available under the policy in the event of default in a premium payment, shall be determined in
31 manners consistent with the manners specified for determining the analogous minimum amounts
32 in §§ 27-4.3-2 — 27-4.3-5 and 27-4.3-7. The amounts of any cash surrender values and of any
33 paid up nonforfeiture benefits granted in connection with additional benefits such as those listed

1 as items subdivisions ~~(4) through (6)~~ in (1) — (6) of § 27-4.3-7 shall conform with the principles
2 of this section.

3 SECTION 15. Section 27-4.4-4 of the General Laws in Chapter 27-4.4 entitled “The
4 Standard Nonforfeiture Law for Individual Deferred Annuities” is hereby amended to read as
5 follows:

6 **27-4.4-4. Minimum values.** -- (a) The minimum values as specified in §§ 27-4.4-5 —
7 27-4.4-8 and 27-4.4-10 of any paid-up annuity, cash surrender, or death benefits available under
8 an annuity contract shall be based upon minimum nonforfeiture amounts as defined in this
9 section.

10 (b) ~~With respect to~~ In contracts providing for flexible considerations, the minimum
11 nonforfeiture amount at any time at or prior to the commencement of any annuity payments shall
12 be equal to an accumulation up to that time at a rate of interest of three percent (3%) per annum
13 of percentages of the net considerations as defined in this section paid prior to that time,
14 decreased by the sum of:

15 (1) Any prior withdrawals from or partial surrenders of the contract accumulated at a rate
16 of interest of three percent (3%) per annum; and

17 (2) The amount of any indebtedness to the company on the contract, including interest
18 due and accrued, and increased by any existing additional amounts credited by the company to
19 the contract.

20 (c) The net considerations for a given contract year used to define the minimum
21 nonforfeiture amount shall be an amount not less than zero and shall be equal to the
22 corresponding gross considerations credited to the contract during that contract year less an
23 annual contract charge of thirty dollars (\$30.00) and less a collection charge of one dollar and
24 twenty-five cents (\$1.25) per consideration credited to the contract during that contract year. The
25 percentages of net considerations shall be sixty-five percent (65%) of the net consideration for the
26 first contract year and eighty-seven and one-half percent ~~(87 1/2%)~~ (87.5%) of the net
27 considerations for the second and later contract years. Notwithstanding ~~the~~ these net
28 considerations provisions of the preceding sentence, the percentage shall be sixty-five percent
29 (65%) of the portion of the total net considerations for any renewal contract year **which that**
30 exceeds by not more than two (2) times the sum of those portions of the net considerations in all
31 prior contract years for which the percentage was sixty-five percent (65%).

32 (d) ~~With respect to~~ In contracts providing for fixed scheduled considerations, minimum
33 nonforfeiture amounts shall be calculated on the assumption that considerations are paid annually

1 in advance and shall be defined as for contracts with flexible considerations which are paid
2 annually with two (2) exceptions:

3 (1) The portion of the net consideration for the first contract year to be accumulated shall
4 be the sum of sixty-five percent (65%) of the net consideration for the first contract year plus
5 twenty-two and one-half percent (~~22-1/2%~~) (22.5%) of the excess of the net consideration for the
6 first contract year over the lesser of the net considerations for the second and third contract years;
7 and

8 (2) The annual contract charge shall be the lesser of (i) thirty dollars (\$30.00) or (ii) ten
9 percent (10%) of the gross annual consideration.

10 (e) ~~With respect to~~ In contracts providing for a single consideration, minimum
11 nonforfeiture amounts shall be defined as for contracts with flexible considerations except that
12 the percentage of net consideration used to determine the minimum nonforfeiture amount shall be
13 equal to ninety percent (90%) and the net consideration shall be the gross consideration less a
14 contract charge of seventy-five dollars (\$75.00).

15 SECTION 16. Sections 27-4.5-3, 27-4.5-4.1, and 27-4.5-5 of the General Laws in
16 Chapter 27-4.5 entitled "The Standard Valuation Law" are hereby amended to read as follows:

17 **27-4.5-3. Actuarial opinion of reserves.** ~~-- (a) This section shall become operative at~~
18 ~~the end of the first full calendar year following the year of enactment.~~

19 (a) ~~(b)~~ *General.* Every life insurance company doing business in this state shall annually
20 submit the opinion of a qualified actuary as to whether the reserves and related actuarial items
21 held in support of the policies and contracts specified by the commissioner of insurance by
22 regulation are computed appropriately, are based on assumptions which satisfy contractual
23 provisions, are consistent with prior reported amounts, and comply with applicable laws of this
24 state. The commissioner of insurance by regulation shall define the specifics of this opinion and
25 add any other items deemed to be necessary to its scope.

26 (b) ~~(c)~~ *Actuarial analysis of reserves and assets supporting the reserves.*

27 (1) Every life insurance company, except as exempted by or pursuant to regulation, shall also
28 annually include in the opinion required by subsection ~~(b)~~ (a); an opinion of the same qualified
29 actuary as to whether the reserves and related actuarial items held in support of the policies and
30 contracts specified by the commissioner of insurance by regulation, when considered in light of
31 the assets held by the company with respect to the reserves and related actuarial items, including,
32 but not limited to, the investment earnings on the assets and the considerations anticipated to be
33 received and retained under the policies and contracts, make adequate provision for the

company's obligations under the policies and contracts, including, but not limited to, the benefits under and expenses associated with the policies and contracts.

(2) The commissioner of insurance may provide by regulation for a transition period for establishing any higher reserves ~~which that~~ the qualified actuary may deem necessary in order to render the opinion required by this section.

(c) ~~(d)~~ *Requirement for opinion under subsection (e)(b).* Each opinion required by subsection ~~(e)(b)~~ shall be governed by the following provisions:

(1) A memorandum, in form and substance acceptable to the commissioner of insurance as specified by regulation, shall be prepared to support each actuarial opinion; and

(2) If the insurance company fails to provide a supporting memorandum at the request of the commissioner of insurance within a period specified by regulation or the commissioner of insurance determines that the supporting memorandum provided by the insurance company fails to meet the standards prescribed by the regulations or is otherwise unacceptable to the commissioner of insurance, the commissioner of insurance may engage a qualified actuary for the opinion and prepare the supporting memorandum ~~as is~~ required by the commissioner of insurance.

(d) ~~(e)~~ *Requirement for all opinions.* Every opinion shall be governed by the following provisions:

(1) The opinion shall be submitted with the annual statement reflecting the valuation of the reserve liabilities for each year ending on or after December 31, 1994;

(2) The opinion shall apply to all business in force including individual and group health insurance plans, in a form and substance acceptable to the commissioner of insurance as specified by regulation;

(3) The opinion shall be based on standards adopted ~~from time to time~~ by the actuarial standards board and on any additional standards as that commissioner of insurance may by regulation prescribe;

(4) In the case of an opinion required to be submitted by a foreign or alien company, the commissioner of insurance may accept the opinion filed by that company with the insurance supervisory official of another state if the commissioner of insurance determines that the opinion reasonably meets the requirements applicable to a company domiciled in this state;

(5) For the purposes of this section, "qualified actuary" means a member in good standing of the American Academy of Actuaries who meets the requirements set forth in the regulations;

(6) Except in cases of fraud or willful misconduct, the qualified actuary shall not be liable for damages to any person, other than the insurance company and the commissioner of insurance, for any act, error, omission, decision, or conduct with respect to the actuary's opinion;

(7) Disciplinary action by the commissioner of insurance against the company or the qualified actuary shall be defined in regulations by the commissioner of insurance; and

(8) Any memorandum in support of the opinion, and any other material provided by the company to the commissioner of insurance in connection ~~therewith~~ with the opinion, shall be kept confidential by the commissioner of insurance and shall not be made public and shall not be subject to subpoena, other than for the purpose of defending an action seeking damages from any person by reason of any action required by this section or by regulations promulgated ~~hereunder~~ under this section; provided, ~~however~~, that the memorandum or other material may ~~otherwise~~ be released by the commissioner of insurance (i) with the written consent of the company or (ii) to the American Academy of Actuaries upon request stating that the memorandum or other material is required for the purpose of professional disciplinary proceedings and setting forth procedures satisfactory to the commissioner of insurance for preserving the confidentiality of the memorandum or other material. Once any portion of the confidential memorandum is cited by the company in its marketing or is cited before any governmental agency other than a state insurance department or is released by the company to the news media, all portions of the confidential memorandum shall be no longer confidential.

27-4.5-4.1. Computation of minimum standard by calendar year of issue. -- (a)

Applicability. ~~of this section.~~ The interest rates used in determining the minimum standards for the valuation of: (1) all life insurance policies issued on or after January 1, 1994; (2) all individual annuity and pure endowment contracts issued in a particular calendar year on or after January 1, 1994; (3) all annuities and pure endowments purchased in a particular calendar year on or after January 1, 1994, under group annuity and pure endowment contracts; and (4) the net increase, if any, in a particular calendar year after January 1, 1994, in amounts held under guaranteed interest contracts; shall be the calendar year statutory valuation interest rates as defined in this section.

(b) Calendar year statutory valuation interest rates.

(1) The calendar year statutory valuation interest rates, "I", shall be determined as follows and the results rounded to the nearer one-quarter of one percent ~~(1/4 of 1%)~~ (.25%), where R1 is the lesser of R and .09, R2 is the greater of R and .09, R is the reference interest rate as defined in this section, and W is the weighting factor as defined in this section:

(i) For life insurance:

$$I = .03 + W(R1 - .03) + W/2(R2 - .09);$$

1 (ii) For single premium immediate annuities and for annuity benefits involving life
2 contingencies arising from other annuities with cash settlement options and from guaranteed
3 interest contracts with cash settlement options:

4
$$I = .03 + W(R1 - .03);$$

5 (iii) For other annuities with cash settlement options and guaranteed interest contracts
6 with cash settlement options, valued on an issued year basis, except as stated in subdivision
7 (b)(1)(ii), the formula for life insurance stated in subdivision (b)(1)(i) shall apply to annuities and
8 guaranteed interest contracts with guarantee durations in excess of ten (10) years and the formula
9 for single premium immediate annuities stated in subdivision (b)(1)(ii) shall apply to annuities
10 and guaranteed interest contracts with guarantee duration of ten (10) years or less;

11 (iv) For other annuities with no cash settlement options and for guaranteed interest
12 contracts with no cash settlement options, the formula for single premium immediate annuities
13 stated in subdivision (b)(1)(ii) shall apply; and

14 (v) For other annuities with cash settlement options and guaranteed interest contracts with
15 cash settlement options, valued on a change in fund basis, the formula for single premium
16 immediate annuities stated in subdivision (b)(1)(ii) shall apply; and

17 (2) If, however, the calendar year statutory valuation interest rate for any life insurance
18 policies issued in any calendar year determined without reference to this subsection differs from
19 the corresponding actual rate for similar policies issued in the immediately preceding calendar
20 year by less than one-half of one percent (~~1/2 of 1%~~) (.5%), the calendar year statutory valuation
21 interest rate for those life insurance policies shall be equal to the corresponding actual rate for the
22 immediately preceding calendar year. ~~For the purposes of applying the immediately preceding~~
23 ~~sentence, the calendar year statutory valuation interest rate for life insurance policies issued in a~~
24 ~~calendar year shall be determined for 1994 using the reference interest rate defined in 1993 by~~
25 ~~application of the standards specified in § 27-4-17(c)(2) and shall be determined for each~~
26 ~~subsequent calendar year regardless of when § 27-4-3-5 becomes effective.~~

27 (c) Weighting factors. (1) The weighting factors referred to in the formulas stated in
28 subdivisions (b)(1)(i) and (ii) are ~~given in the following tables~~ as follows:

Guarantee Duration (Years)	Weighting Factors
10 or less	.50
More than 10, but not more than 20	.45
More than 20	.35

33 For life insurance, the guarantee duration is the maximum number of years the life
34 insurance can remain in force on a basis guaranteed in the policy or under options to convert to

1 plans of life insurance with premium rates or nonforfeiture values or both which are guaranteed in
2 the original policy;

3 (2) Weighting factor for single premium immediate annuities and for annuity benefits
4 involving life contingencies arising from other annuities with cash settlement options and
5 guaranteed interest contracts with cash settlement options is .80;

6 (3) Weighting factors for other annuities and for guaranteed interest contracts, except as
7 stated in subdivision (c)(2), shall be as specified in ~~tables~~ paragraphs (i), (ii) and (iii) below,
8 according to the rules and definitions in paragraphs (iv), (v) and (vi) below:

9 (i) For annuities and guaranteed interest contracts valued on an issue year basis:

Guarantee Duration (Years)	Weighting Factor for Plan Type		
	A	B	C
5 or less:	.80	.60	.50
More than 5, but not more than 10:	.75	.60	.50
More than 10, but not more than 20:	.65	.50	.45
More than 20:	.45	.35	.35

16 (ii) For annuities and guaranteed interest contracts valued on a change in fund basis, the
17 factors show in subdivision (c)(3)(i) increased by:

	Plan Type		
	A	B	C
	.15	.25	.05

21 (iii) For annuities and guaranteed interest contracts valued on an issued year basis, other
22 than those with no cash settlement options, which do not guarantee interest on considerations
23 received more than one year after issue or purchase and for annuities and guaranteed interest
24 contracts valued on a change in fund basis which do not guarantee interest rates on consideration
25 received more than twelve (12) months beyond the valuation date, the factors shown in
26 subdivision (c)(3)(i) or derived in subdivision (c)(3)(ii) increased by:

	Plan Type		
	A	B	C
	.05	.05	.05

30 (iv) For other annuities with cash settlement options and guaranteed interest contracts
31 with cash settlement options, the guarantee duration is the number of years for which the contract
32 guarantees interest rates in excess of the calendar year statutory valuation interest rate for life
33 insurance policies with guarantee durations in excess of twenty (20) years. For other annuities
34 with no cash settlement options and for guaranteed interest contracts with no cash settlement

options, the guaranteed duration is the number of years from the date of issue or date of purchase to the date annuity benefits are scheduled to commence;

(v) Plan Type as used in the above tables is defined as follows:

(A) Plan Type A: At any time the policyholder may withdraw funds only ~~(4)~~(I) with an adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurance company, or ~~(2)~~(II) without an adjustment but installments over five (5) years or more, or ~~(3)~~(III) as an immediate life annuity, or ~~(4)~~(IV) no withdrawal permitted;

(B) Plan Type B: Before expiration of the interest rate guarantee, the policyholder may withdraw funds only ~~(4)~~(I) with an adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurance company, or ~~(2)~~(II) without an adjustment but in installments over five (5) years or more, or ~~(3)~~(III) no withdrawal permitted. At the end of the interest rate guarantee, funds may be withdrawn without the adjustment in a single sum or installments over less than five (5) years; and

(C) Plan Type C: The policyholder may withdraw funds before the expiration of interest rate guarantee in a single sum or installments over less than five (5) years either ~~(4)~~(I) without adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurance company, or ~~(2)~~(II) subject only to a fixed surrender charge stipulated in the contract as a percentage of the fund; and

(vi) A company may elect to value guaranteed interest contracts with cash settlement options and annuities with cash settlement options on either an issue year basis or on a change in fund basis. Guaranteed interest contracts with no cash settlement options and other annuities with no cash settlement options must be valued on an issue year basis. As used in this section, “issue year basis of valuation” refers to a valuation basis under which the interest rate used to determine the minimum valuation standard for the entire duration of the annuity or guaranteed interest contract is the calendar year valuation interest rate for the year of issue or year of purchase of the annuity or guaranteed interest contract, and “change in fund basis of valuation” refers to a valuation basis under which the interest rate used to determine the minimum valuation standard applicable to each change in the fund held under the annuity or guaranteed interest contract is the calendar year valuation interest rate for the year of the change in the fund.

(d) *Reference interest rate.* Reference interest rate referred to in subsection (b) shall be defined as follows:

(1) For all life insurance, the lesser of the average over a period of thirty-six (36) months and the average over a period of twelve (12) months, ending on June 30 of the calendar year next

preceding the year of issue, of the monthly average of the composite yield on seasoned corporate bonds, as published by Moody's Investors Service, Inc.;

(2) For single premium immediate annuities and for annuity benefits involving life contingencies arising from other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, the average over a period of twelve (12) months, ending on June 30 of the calendar year of issue or year of purchase, of the monthly average of the composite yield on seasoned corporate bonds, as published by Moody's Investors Service, Inc.;

(3) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a year of issue basis, except as stated in ~~subdivision~~ subdivision (d)(2), with guarantee duration in excess of ten (10) years, the lesser of the average over a period of thirty-six (36) months and the average over a period of twelve (12) months, ending on June 30 of the calendar year of issue or purchase, of the monthly average of the composite yield on seasoned corporate bonds, as published by Moody's Investors Service, Inc.;

(4) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a year of issue basis, except as stated in subdivision (d)(2), with guarantee duration of ten (10) years or less, the average over a period of twelve (12) months, ending on June 30 of the calendar year of issue or purchase, of the monthly average of the composite yield on seasoned corporate bonds, as published by Moody's Investors Service, Inc.;

(5) For other annuities with no cash settlement options and for guaranteed interest contracts with no cash settlement options, the average over a period of twelve (12) months, ending on June 30 of the calendar year of issue or purchase, of the monthly average of the composite yield on seasoned corporate bonds, as published by Moody's Investors Service, Inc.; and

(6) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a change in fund basis, except as stated in subdivision (d)(2), the average over a period of twelve (12) months, ending on June 30 of the calendar year of the change in the fund, of the monthly average of the composite yield on seasoned corporate bonds, as published by Moody's Investors Service, Inc.

(e) *Alternative method for determining reference interest rates.* In the event that the monthly average of the composite yield on seasoned corporate bonds is no longer published by Moody's Investors Service, Inc., or in the event that the National Association of Insurance Commissioners determines that the monthly average of the composite yield on seasoned corporate bonds as published by Moody's Investors Service, Inc. is no longer appropriate for the determination of the reference interest rate, then an alternative method for determination of the

reference interest rate, which is adopted by the National Association of Insurance Commissioners and approved by regulation promulgated by the commissioner of insurance, may be substituted.

27-4.5-5. Reserve valuation method — Life insurance and endowment benefits. -- (a)

Except as ~~otherwise~~ provided in §§ 27-4.5-5.1, 27-4.5-8 and 27-4.5-10, reserves according to the commissioners' reserve valuation method for the life insurance and endowment benefits of policies providing for a uniform amount of insurance and requiring the payment of uniform premiums shall be the excess, if any, of the present value, at the date of valuation, of the future guaranteed benefits provided for by the policies, over the then present value of any future modified net premiums. The modified net premiums for any policy shall be a uniform percentage of the contract premiums for the benefits so that the present value, at the date of issue of the policy, of all modified net premiums shall be equal to the sum of the then present value of the benefits provided for by the policy and the excess of (1) over (2), as follows:

(1) A net level annual premium equal to the present value, at the date of issue, of the benefits provided for after the first policy year, divided by the present value, at the date of issue, of an annuity of one per annum payable on the first and each subsequent anniversary of the policy on which a premium falls due; provided, ~~however,~~ that the net level annual premium shall not exceed the net level annual premium on the nineteen (19) year premium whole life plan for insurance of the same amount at an age one year higher than the age at issue of the policy; and

(2) A net one year term premium for the benefits provided for in the first policy year.

(b) For any life insurance policy issued on or after January 1, 1994 for which the contract premium in the first policy year exceeds that of the second year and for which no comparable additional benefit is provided in the first year for the excess, and which provides an endowment benefit or a cash surrender value or a combination ~~thereof~~ of them in an amount greater than the excess premium, the reserve according to the commissioner's reserve valuation method as of any policy anniversary occurring on or before the assumed ending date, ~~defined herein~~ as the first policy anniversary on which the sum of any endowment benefit and any cash surrender value then available is greater than the excess premium, shall, except as ~~otherwise~~ provided in § 27-4.5-8, be the greater of the reserve as of the policy anniversary calculated as described in ~~subdivision~~ subsection (a) and the reserve as of the policy anniversary calculated as described in ~~subdivision~~ subsection (a), but with: (1) the value defined in subdivision (a)(1) being reduced by fifteen percent (15%) of the amount of the excess first year premium, (2) all present values of benefits and premiums being determined without reference to premiums or benefits provided for by the policy after the assumed ending date, (3) the policy being assumed to mature on the date as an endowment, and (4) the cash surrender value provided on the date being considered as an

1 endowment benefit. In making the ~~above~~ comparison contained in this subsection the mortality
2 and interest basis stated in §§ 27-4.5-4 and 27-4.5-4.1 shall be used.

3 (c) Reserves according to the commissioner's reserve valuation method for: (1) life
4 insurance policies providing for a varying amount of insurance or requiring the payment of
5 varying premiums; (2) group annuity and pure endowment contracts purchased under a retirement
6 plan or plan of deferred compensation, established or maintained by an employer including a
7 partnership or sole proprietorship or by an employee organization, or by both, other than a plan
8 providing individual retirement accounts or individual retirement annuities under 26 U.S.C. §
9 408; (3) disability and accidental death benefits in all policies and contracts; and (4) all other
10 benefits, except life insurance and endowment benefits in life insurance policies and benefits
11 provided by all other annuity and pure endowment contracts; shall be calculated by a method
12 consistent with the principles of ~~the preceding~~ subsections (a) and (b) of this section.

13 SECTION 17. Section 27-45.7-15 of the General Laws in chapter 27-4.7 entitled "Risk-
14 Based Capital (RBC) for "Health Organizations Act" is hereby repealed.

15 **27-4.7-15. Phase-In provision.** ~~For RBC reports required to be filed by health~~
16 ~~organizations with respect to the years 2000 and 2001, the following requirements shall apply in~~
17 ~~lieu of the provisions of §§ 27-4.7-4, 27-4.7-5, 27-4.7-6, and 27-4.7-7. However, in no event shall~~
18 ~~any of the following requirements preclude any action or limit any powers or duties otherwise~~
19 ~~available to the insurance commissioner under any other state laws or regulation:~~

20 ~~(1) In the event of a company action level event with respect to a domestic health~~
21 ~~organization, the commissioner shall take no regulatory action under this chapter;~~

22 ~~(2) In the event of a regulatory action level event under § 27-4.7-5(a)(1), (2), or (3) with~~
23 ~~respect to a domestic health organization, the commissioner shall take the actions required under~~
24 ~~§ 27-4.7-4 with respect to the health organization;~~

25 ~~(3) In the event of a regulatory action level event under § 27-4.7-5(a)(4), (5), (6), (7), (8),~~
26 ~~or (9) or an authorized control level event, the commissioner shall take the actions required under~~
27 ~~§ 27-4.7-5 with respect to the health organization;~~

28 ~~(4) In the event of a mandatory control level event with respect to a health organization,~~
29 ~~the commissioner shall take the actions required under § 27-4.7-6 with respect to the health~~
30 ~~organization;~~

31 ~~(5) In the event the health organization's total adjusted capital at December 31, 2000, is~~
32 ~~less than the product of twenty five one hundredths (.25) and its authorized control level RBC,~~
33 ~~the commissioner shall take the actions required under § 27-4.7-7 with respect to the health~~
34 ~~organization; and~~

1 ~~(6) In the event the health organization's total adjusted capital at December 31,~~
2 ~~2001, is less than the product of one-half (.5) and its authorized control level RBC, the~~
3 ~~commission shall take the actions required under § 27-4.7-7 with respect to the health~~
4 ~~organization.~~

5 SECTIONS 18. Section 40-18-2 of the General Laws in Chapter 40-18 entitled
6 “Long Term Home Health Care – Alternative to Placement in a Skilled Nursing or
7 Intermediate Care Facility” is hereby amended to read as follows:

8 **40-18-2. Definitions.** -- As used in this chapter, the following words and phrases
9 shall have the following meanings unless the context otherwise requires:

10 (1) 'Adult day care service' means a comprehensive supervised program on a regularly
11 scheduled basis to adults with disabilities for a substantial part of the day in a single physical
12 location for a specified number of participants daily. The adult day care center shall be reviewed
13 and approved by the department of elderly affairs or other appropriate state agency. Adult day
14 care services may include, but are not limited to, medical supervision, social and educational
15 activities, snacks and/or hot lunch, and transportation to and from the day care site. All adult day
16 care services must meet the conditions set forth in the rules and regulations of the department of
17 elderly affairs and must provide these services as an alternative to twenty-four (24) hour long
18 term institutional care.

19 (2) 'Case management services' means the coordination of a plan of care and services
20 provided at home to persons with disabilities who are medically eligible for placement in a skilled
21 nursing facility or an intermediate care facility upon discharge from a hospital. Such programs
22 shall be provided in the person's home or in the home of a responsible relative or other
23 responsible adult, but not provided in a skilled nursing facility and/or an intermediate care
24 facility.

25 (3) 'Certified home health' means a home care services agency which is licensed by the
26 state and which is qualified to participate as home health agency under the provisions of titles
27 XVII and XIX of the federal Social Security Act, 42 U.S.C. § 1395x, and shall provide, directly
28 or through contract arrangement, a minimum of the following services, which are of a
29 preventative, therapeutic, rehabilitative health guidance, and/or supportive nature to persons at
30 home: skilled nursing services, physical therapy, occupational therapy, speech therapy, and home
31 health aide services.

32 (4) 'Director' means the director of the department of human services.

1 (5) 'Emergency response system' means a twenty-four (24) hour per day monitoring
2 service designed for use by elderly adults in the community. The purpose of that system is to
3 provide contact between the elderly adult in the community and the appropriate emergency
4 response agency.

5 (6) 'Government funds' means funds provided under the provisions of chapter 8 of title
6 40.

7 (7) 'Home care services' means those services provided by (i) medicare Medicaid
8 certified and state licensed home health agency and (ii) state licensed home health
9 aide/homemaker agency.

10 (8) 'Home health aide/homemaker agency', ~~defined in § 23-17.7-2,~~ means: (i) home
11 health aide services, at a minimum, includes assistance with personal hygiene, dressing, feeding,
12 and household tasks essential to the patient's health and (ii) homemaker services, at a minimum,
13 includes light work or household tasks such as cooking, cleaning, shopping, and laundry.

14 (9) 'Hospital' means a hospital as defined in chapter 17 of title 23.

15 SECTION 19. Section 42-66.4-2 of the General Laws in Chapter 42-66.4 entitled “Long-
16 Term Health Care – Removal From A Skilled Nursing and/or Intermediate Care Facility” is
17 hereby amended to read as follows:

18 **42-66.4-2. Definitions.** -- As used in this chapter, unless the context otherwise
19 requires:

20 (1) 'Adult day care services' means a comprehensive supervised program on a regularly
21 scheduled basis to adults with disabilities for a substantial part of the day in a single physical
22 location for a specified number of participants daily. The adult day care center shall be reviewed
23 and approved by the department of elderly affairs or other appropriate state agency. Adult day
24 care services may include, but are not limited to, medical supervision, social and educational
25 activities, snacks and/or hot lunch, and transportation to and from the day care site. All adult day
26 care services must meet the conditions set forth in the rules and regulations of the department of
27 elderly affairs and must provide these services as an alternative to twenty-four (24) hour long
28 term institutional care.

29 (2) 'Case management services' means the coordination of a plan of care and services
30 provided at home to persons with disabilities who are medically eligible for placement in a skilled
31 nursing facility or an intermediate care facility. These programs shall be provided in the person's
32 home or in the home of a responsible relative or other responsible adult, but not provided in a
33 skilled nursing facility and/or an intermediate care facility.

1 (3) 'Certified home health' means a home care services agency which is licensed by the
2 state and which is qualified to participate as a home health agency under the provisions of 42
3 U.S.C. § 1395 et seq. and § 1396 et seq., and shall provide, directly or through contract
4 arrangement, a minimum of the following services which are of a preventative, therapeutic,
5 rehabilitative health guidance and/or supportive nature to persons at home: skilled nursing
6 services, physical therapy, occupational therapy, speech therapy, and home health aide services.

7 (4) 'Director' means the director of the department of elderly affairs unless the context
8 clearly requires a different meaning.

9 (5) 'Emergency response system' means a twenty-four (24) hour per day monitoring
10 service designed for use by elderly adults in the community. The purpose of the system is to
11 provide contact between the elderly adult in the community and the appropriate emergency
12 response agency.

13 (6) 'Government funds' means funds provided under the provisions of chapter 8 of title
14 40.

15 (7) 'Home care services' means those services provided by (a) medicare Medicaid
16 certified and state licensed home health agency and (b) state licensed home health
17 aide/homemaker agency.

18 (8) 'Home health aide/homemaker agency', ~~defined in § 23-17.7-2,~~ means:

19 (i) Home health aide services, at a minimum, includes assistance with personal hygiene,
20 dressing, feeding, and household tasks essential to the patient's health; and

21 (ii) Homemaker services, at a minimum, includes light work or household tasks such as
22 cooking, cleaning, shopping, and laundry.

23 (9) 'Skilled nursing facility' and 'intermediate care facility' shall have the same definition
24 as set forth in chapter 17 of title 23.

25 SECTION 20. Section 17-4-2 of the General Laws in Chapter 17-4 entitled "Federal
26 Elective Officers" is hereby amended to read as follows:

27 **17-4-2. Territory in first congressional district** ~~--- The first district consists of the~~
28 ~~territory embraced within the towns of Middletown, Portsmouth, Tiverton, Little Compton,~~
29 ~~Jamestown, Barrington, Warren, Bristol, Cumberland, Smithfield, North Smithfield, North~~
30 ~~Providence, Lincoln, and Burrillville and the cities of Newport, East Providence, Pawtucket,~~
31 ~~Central Falls, Woonsocket, and that territory in the city of Providence embraced within a line~~
32 ~~beginning at the point where the center line of Smith Street crosses the Providence North~~
33 ~~Providence boundary line, thence southeasterly on Smith Street to Eaton Street, thence easterly~~
34 ~~on Eaton Street to Douglas Avenue, thence southeasterly on Douglas Avenue to the intersection~~

1 of I-95, thence southerly on I-95 to the intersection of Smith Street, thence easterly on Smith
2 Street to the Moshassuck River, thence southerly through the Moshassuck River to a point on
3 Memorial Square where the world war memorial monument now or lately stood, thence
4 southeasterly through the Providence River to the Seekonk River, thence easterly and northerly
5 through the Seekonk River along the Providence-East Providence boundary line in the Seekonk
6 River to the Providence-Pawtucket boundary line, thence westerly, northwesterly, and
7 southwesterly along the Providence-Pawtucket boundary line and the Providence-North
8 Providence boundary line to the point and place of beginning.

9 **Territory in first and second congressional districts.** – First district: The first
10 congressional district shall consist of all of that part of the towns of: Burrillville; North
11 Smithfield; Smithfield; Lincoln; Cumberland; North Providence; Barrington; Warren;
12 Bristol; Portsmouth; Tiverton; Little Compton; Middletown; and Jamestown and the
13 cities of: Woonsocket; Central Falls; Pawtucket; East Providence; and Newport.

14 The first congressional district shall also consist of all of that part of the city of
15 Providence bounded by a line beginning at the intersection of Longwood avenue and the
16 Providence-North Providence boundary line; thence northeasterly and southeasterly along
17 the Providence-North Providence boundary line to the Providence-Pawtucket boundary
18 line; thence southeasterly along the Providence-Pawtucket boundary line to the
19 Providence-East Providence boundary line; thence southwesterly along the Providence-
20 East Providence boundary line to the Providence River; thence northwesterly through the
21 Providence River to Steeple street; thence northeasterly along Steeple street to North
22 Main street; thence northerly on North Main street to Hewes street; thence southwesterly
23 on Hewes street to Stevens street; thence northwesterly on Stevens street to Charles
24 street; thence continuing northwesterly on Charles street to interstate route 95; thence
25 southwesterly on interstate route 95 to the former New York New Haven and Hartford
26 Railroad (hereinafter simply "New York New Haven and Hartford Railroad"); thence
27 southwesterly on New York New Haven and Hartford Railroad to a line extended
28 westerly to Francis street; thence westerly along that line (boundary line between census
29 blocks 440070008001022 and 440070008001021) to a line extended southwesterly and
30 westerly to Promenade street; thence southwesterly and westerly along that line
31 (boundary line between census blocks 440070008001025 and 440070008001026) thence
32 westerly to Promenade street; thence continuing westerly on Promenade street to

1 interstate route 95; thence southerly on interstate route 95 to Providence Place; thence
2 westerly on Providence Place to Harris avenue; continuing westerly on Harris avenue to
3 Dean street; thence northerly on Dean street to Pleasant Valley parkway; thence
4 northwesterly on Pleasant Valley parkway to Raymond street; thence continuing
5 northwesterly on Chalkstone avenue; thence westerly on Chalkstone avenue to Samoset
6 avenue; thence northerly on Samoset avenue to Alden street; thence westerly on Alden
7 street to Victoria street; thence northerly on Victoria street to Galileo avenue; thence
8 northeasterly on Galileo avenue to Standish avenue; thence northerly on Standish avenue
9 to Metropolitan road; thence westerly on Metropolitan road to Mount Pleasant avenue;
10 thence northerly on Mount Pleasant avenue to Old road; thence easterly on Old road to
11 Smith street; thence southeasterly on Smith street to Academy avenue; thence northerly
12 on Academy avenue to Walton street; thence westerly on Walton street to Enfield
13 avenue; thence northerly on Enfield avenue to Isabella avenue; thence westerly on
14 Isabella avenue to Modena avenue; thence southerly on Modena avenue to Lotus place;
15 thence westerly on Lotus place to Gentian avenue; thence northerly on Gentian avenue to
16 Isabella avenue; thence westerly on Isabella avenue to Longwood avenue; thence
17 northerly on Longwood avenue to the point of origin.

18 Second district: The second congressional district shall consist of all of the towns
19 of: Glocester; Foster; Scituate; Johnston; Coventry; West Warwick; West Greenwich;
20 East Greenwich; Exeter; North Kingstown; Narragansett; South Kingstown; Charlestown;
21 Richmond; Hopkinton; and Westerly and the cities of: Cranston and Warwick.

22 The second congressional district shall also consist of all of that part of the city of
23 Providence not included in the first congressional district.

24 SECTION 21. Section 17-4-3 of the General Laws in Chapter 17-4 entitled
25 “Federal Elective Officers” is hereby repealed.

26 ~~**17-4-3. Territory in second congressional district.** — The second congressional~~
27 ~~district consists of all of the territory within the state not embraced within the first~~
28 ~~congressional district.~~

29 SECTION 22. Sections 27-5-3.4 and 27-5-15 of the General Laws in Chapter 27-
30 5 entitled “Fire Insurance Policies and Reserves” are hereby amended to read as follows:

1 **27-5-3.4. Cancellation or nonrenewal of standard fire insurance policy.** -- (a)

2 A company issuing any policy of insurance which is subject to cancellation or
3 nonrenewal by the company shall effect cancellation or nonrenewal by serving the notice
4 ~~thereof of it~~ provided by the policy. That notice shall be delivered in hand to the named
5 insured, or be left at his or her last address as shown by the company's records, or, if its
6 records contain no last address, at his or her last business, residence, or other address
7 known to the company, or be forwarded to that address by certified mail, return receipt
8 requested. A return receipt from the United States postal service showing receipt of the
9 notice at the address of the insured stated in the policy shall be sufficient proof of notice.
10 If the company does not receive a return receipt from the United States postal service
11 within ten (10) days, then the company shall forward the notice by first class mail and
12 maintain proof of mailing of the notice to the insured in the ordinary course of the
13 insurer's business, and this proof of mailing shall be sufficient proof of notice.

14 (b) If a policy is made payable to a mortgagee or any person other than the named insured, notice
15 shall be given as provided in subsection (a) to the payee ~~as well as~~ and to the named insured.

16 (c) Policies subject to cancellation by the named insured upon giving notice to the
17 company may be cancelled by serving notice in the manner ~~herein~~ provided in subsection
18 (a) of this section upon the company or upon its insurance producer who issued the
19 policy.

20 **27-5-15. Power to create guaranty surplus and special reserve funds.** -- Any
21 insurance company organized under the laws of this state authorized to transact a fire
22 insurance business may create the funds ~~herein~~ provided for in §§ 27-5-16 — 27-5-31, to
23 be known and designated as the guaranty surplus fund and the special reserve fund, and
24 may avail itself of the provisions of this section and §§ 27-5-16 — 27-5-31, upon
25 complying with the requirements ~~thereof~~ of those sections.

26 SECTION 23. Sections 27-7.1-12 and 27-7.1-22 of the General Laws in Chapter
27 27-7.1 entitled "Workers' Compensation Insurance" are hereby repealed.

28 ~~**27-7.1-12. Procedural rules.** (a) Subject to the applicable requirements of the~~
29 ~~Administrative Procedures Act, chapter 35 of title 42, the director may adopt rules and~~
30 ~~regulations establishing procedures for:~~

1 ~~(1) The administration of this chapter, including, but not limited to, procedures governing~~
2 ~~submission of petitions for intervenor status, prefilings of testimony and exhibits, information~~
3 ~~requests, subpoena prehearing conferences, and the conduct of hearings;~~

4 ~~(2) Use by insurers to record and report to the director their rates;~~

5 ~~(3) Use by insurers in the recording and reporting of loss and expense experience, in~~
6 ~~order that the experience of all insurers may be made available at least annually in the form and~~
7 ~~detail necessary to aid in determining whether rating systems comply with the standards set forth~~
8 ~~in § 27-7.1-4. The director may designate advisory organizations or other agencies to assist in~~
9 ~~gathering the experience and making compilations of it, and the compilations shall be public~~
10 ~~records; and~~

11 ~~(4) The interchange of data necessary for the application of rating plans.~~

12 ~~(b) In order to further the administration of this chapter, the director and every insurer~~
13 ~~and advisory organization may exchange information and experience data with insurance~~
14 ~~supervisory officials, insurers, and advisory organizations in other states and may consult with~~
15 ~~them with respect to the application of rating systems.~~

16 ~~(c) Cooperation among advisory organizations or among advisory organizations and~~
17 ~~insurers in ratemaking or in other matters within the scope of this chapter is authorized, but the~~
18 ~~filings resulting from that cooperation are subject to all the provisions of this chapter. The~~
19 ~~director may review these cooperative activities and practices and, if after hearing, any activity or~~
20 ~~practice is found to violate the provisions of this chapter, a written order may be issued specifying~~
21 ~~that the activity or practice violates the provisions of this chapter and requiring the discontinuance~~
22 ~~of the activity.~~

23 ~~**27-7.1-22. “Fresh start” provision.**~~ (a) ~~In order to restore a healthy voluntary~~
24 ~~workers’ compensation insurance market in the state of Rhode Island, and to avert the~~
25 ~~departure of insurers presently providing workers’ compensation insurance in the state,~~
26 ~~the department shall provide for recovery of ninety percent (90%) of any deficits for the~~
27 ~~policy period beginning the first day of the month beginning after passage of this~~
28 ~~legislation through December 31, 1992, and seventy five percent (75%) of any deficits~~
29 ~~for the policy year January 1, 1993, through December 31, 1993, pursuant to subsections~~
30 ~~(b) through (h).~~

31 ~~(b) The term “deficits” shall mean the amount by which incurred losses and expenses~~
32 ~~associated with the entire Rhode Island workers’ compensation insurance market exceeds~~
33 ~~premiums collected from risks in that market and investment income allocable to those premiums.~~

~~Any deficits for the covered portion of policy year 1993 shall be initially calculated as of June 30, 1994, and annually reviewed as of June 30 of each of the subsequent four (4) years.~~

~~(c) Deficit calculations shall be made by an independent actuarial firm. Selection of this firm shall be agreed to by the department, the state compensation insurance fund, and an organization representing licensed workers' compensation insurers. Compliance with NCCI pool servicing carrier standards shall be reviewed by the department and shall be considered by the actuary in determining the extent of any deficit.~~

~~(d) Assessments for 1992 deficits shall apply to all policies issued on or after January 1, 1995, and assessments for 1993 deficits shall apply to all policies issued on or after January 1, 1996. Deficits shall be assessed against current policy year insureds and collected as a surcharge on current policy year premiums.~~

~~(e) (1) Any deficits determined as of June 30, 1994, shall be amortized over a five (5) year period, with twenty percent (20%) of the deficits due when policies for policy year 1995 are issued.~~

~~(2) Any 1992 deficits determined as of June 30, 1995, shall be amortized over a four (4) year period, with twenty five percent (25%) of the deficits due when policies for policy year 1996 are issued. Subsequent 1992 deficit determination shall be made by each June 30 amortized over the remaining period, with a final deficit determination to be made by June 1, 1998.~~

~~(3) Any 1993 deficits determined as of June 30, 1995, shall be amortized over a five (5) year period, with twenty percent (20%) of the deficits due when policies for policy year 1996 are issued. Any 1993 deficits determined as of June 30, 1995, shall be amortized over a four (4) year period, with twenty five percent (25%) of the deficits due when policies for policy year 1997 are issued. Subsequent 1993 deficit determinations shall be made by each June 30 and amortized over the remaining period, with a final deficit determination to be made by June 1, 1999.~~

~~(f) In no instance shall the deficit surcharge for either policy year 1992 or 1993 exceed ten percent (10%) of the policyholder's current policy year written premium, nor shall the combined surcharge for 1992 and 1993 exceed ten percent (10%) of the policyholder's current policy year written premium. Any outstanding balance as a result of this limitation shall be assessable at ten percent (10%) of the current policy year written premium per year until all of those obligations are fulfilled.~~

~~(g) The department shall annually notify the state compensation insurance fund and each insurance carrier writing workers' compensation insurance in Rhode Island of the amount of any deficit surcharge, as established by the independent actuarial firm, to be charged against policy holders.~~

1 ~~(h) The state compensation insurance fund and each insurance carrier writing workers'~~
2 ~~compensation insurance shall collect deficit surcharges under this section at the time the policy is~~
3 ~~issued. After collection, those surcharges shall be transferred to an interest bearing custodial~~
4 ~~account administered by the director of the department of labor, for the exclusive benefit of the~~
5 ~~workers' compensation insurance carriers. Monies collected and invested in the account and~~
6 ~~interest earned thereon shall be distributed only to worker's compensation carriers in accordance~~
7 ~~with a schedule promulgated by the department, based on the report of the independent actuarial~~
8 ~~firm. The monies shall be and remain the property of the workers' compensation carriers and~~
9 ~~shall not constitute public funds.~~

10 SECTION 24. Sections 27-7.2-9.1, 27-7.2-20.1 and 27-7.2-20.2 of the General Laws in
11 Chapter 27-7.2 entitled "Workers' Compensation Insurance Fund" are hereby amended to read as
12 follows:

13 **27-7.2-9.1. Insurance coverage program.** -- (a) *Provision of workers' compensation*
14 *coverage.* Subject to the limitations set forth in this chapter, the fund shall provide workers'
15 compensation insurance against liabilities arising under title 28 for any employer that tenders the
16 necessary premium.

17 (b) *Applications; provision of coverage.*

18 (1) *Policy applications.* Applicants may apply for coverage by the fund in good faith,
19 either directly or through an insurance producer licensed by the state of Rhode Island to procure
20 workers' compensation insurance according to rules adopted by the board under § 27-7.2-17.

21 (2) *Denial, cancellation, and nonrenewal.* The nonpayment of premium for current or
22 prior policies issued by the fund to the applicant, or to another entity for which the fund deems
23 the applicant to be a successor in interest, may be a basis for the fund to deny, ~~nonrenew~~ not
24 renew or terminate coverage. The failure or refusal by an applicant or insured to fully and
25 accurately disclose to the fund information concerning the applicant's or insured's ownership,
26 change of ownership, operations, or payroll, including allocation of payroll among state and
27 federal compensation programs, classification of payroll, and any other information determined
28 by the fund to be important in determining proper rates shall be sufficient grounds for the fund to
29 deny an application or to ~~nonrenew~~ not renew or cancel an existing policy or to assess a premium
30 surcharge against the insured pursuant to subsection (d). The failure or refusal by any insured or
31 applicant to comply with the fund's safety requirements or to permit premises inspections to the
32 sole satisfaction of the fund shall be sufficient grounds for having its workers' compensation
33 insurance coverage surcharged, ~~nonrenewed~~ not renewed, or cancelled, or an application for the
34 coverage denied.

1 (3) *Appeal to director.* Any determination of the fund with respect to the denial,
2 cancellation, or nonrenewal of any workers' compensation insurance policy against liabilities
3 arising under title 28, with the exception of cancellation for nonpayment of premium, may be
4 appealed to the director of the department of business regulation, in writing, within thirty (30)
5 days of notice of this action. If the director ~~thereupon~~ determines that the fund has unreasonably
6 denied, cancelled, or failed to renew any workers' compensation insurance policy, the fund shall
7 in good faith reconsider issuing, reinstating, or renewing the workers' compensation insurance
8 policy. If the fund has not issued, reinstated, or renewed the workers' compensation insurance
9 policy within thirty (30) days of a determination of the director, the applicant or insured may
10 appeal the denial, cancellation, or failure to renew by the fund to the superior court for
11 Providence County.

12 (c) *Exemptions.*

13 (1) Except as ~~otherwise~~ provided in subsection (d), the fund shall be subject to rate
14 regulation under chapter 7.1 of this title.

15 (2) Notwithstanding the provisions of this section ~~foregoing~~, if, at any time, the director
16 finds that a rate or filing of the fund is unjust, unreasonable, inadequate, excessive, or unfairly
17 discriminatory, he or she shall, after a hearing held upon not less than ten (10) days written
18 notice, specifying the matters to be considered at that hearing, issue an order specifying in what
19 respects he or she finds that the rate or filing is unjust, unreasonable, inadequate, excessive, or
20 unfairly discriminatory and stating when within a reasonable period ~~thereafter~~ after this the rate
21 shall no longer be used or the filing shall be deemed no longer effective. That order shall not
22 affect any contract or policy made or issued prior to the expiration of the period set forth in the
23 order. If, ~~however~~, the director finds that an unfair discrimination exists in the application of a
24 rate or filing to an individual applicant or insured, the director may, after a hearing held on ~~like~~
25 similar notice to the fund, issue an order that the discrimination be removed.

26 (d) *Rate regulation.*

27 (1) When a filing is not accompanied by the information upon which the fund supports
28 that filing, and the director does not have sufficient information to determine whether the filing
29 meets the requirements of applicable law, the director may require the fund to furnish the
30 information upon which it supports the filing. The information furnished in support of a filing
31 may include: (i) the experience or judgment of the fund, (ii) its interpretation of any statistical
32 data it relies upon, (iii) the experience of other insurers or rating organizations, or (iv) any other
33 relevant factors.

1 (2) Notwithstanding any law to the contrary, the fund and any workers'
2 compensation insurance policyholder may mutually consent to modify the rates for that
3 policyholder's workers' compensation insurance policy, provided the fund files notice of
4 the modification with the director of the department of business regulation.

5 (3) Notwithstanding any law to the contrary, the fund may establish and apply a
6 premium surcharge protocol. The protocol shall provide for higher premium and
7 surcharge payments by insureds who present higher than normal risks within a class,
8 including the ability of the fund to assess from time to time a premium surcharge of up to
9 three (3) times its otherwise applicable premium rate, as it deems appropriate to further
10 the public purposes set forth herein in this chapter. The surcharge may be payable, at the
11 option of the fund, upon assessment, over the policy year, or upon renewal. Any premium
12 surcharge assessed by the fund may be appealed to the director of the department of
13 business regulation within twenty (20) days of notice ~~thereof~~ of the surcharge, and the
14 director may modify or rescind the surcharge if the director determines that the surcharge
15 is unjust, unreasonable, inadequate, excessive or unfairly discriminatory.

16 ~~(4) Notwithstanding any other provisions of law, immediately upon May 18,~~
17 ~~1992, the fund may issue workers' compensation insurance policies at an initial rate not~~
18 ~~in excess of the rates then in effect for residual market workers' compensation insurance~~
19 ~~coverage offered by any other insurers within the state of Rhode Island, subject to the~~
20 ~~discretion of the fund to apply discounts and surcharge multipliers of up to three (3) times~~
21 ~~the premiums that would otherwise be applicable under the rates, with the premium~~
22 ~~surcharge to be payable as provided in subdivision (d)(4). The fund may continue to issue~~
23 ~~workers' compensation insurance coverage at the initial rates until the effectiveness of~~
24 ~~any revised rates filed pursuant to subdivision (d)(1).~~

25 **27-7.2-20.1. Workers' compensation capital assessment.** -- (a) In order to
26 establish the capital reserves and surplus to allow the fund to effect the assumption of
27 residual risk market in fulfillment of the public purposes as set forth ~~above~~ in this
28 chapter, a workers' compensation capital assessment shall be assessed and collected by
29 the director of the department of labor and training against each insurance company
30 deemed by the director of the department of business regulation to have been licensed as
31 of January 1, 1991, to write workers' compensation insurance in Rhode Island. The

1 assessment shall be payable quarterly and due within fifteen (15) days following the close
2 of each calendar quarter or, at the discretion of the director of the department of labor and
3 training, on an annual basis on or before July first of each year. The director of the
4 department of labor and training shall have the power to institute suit to collect any
5 assessment under this section to the same extent as provided in § 28-37-28.

6 (b) The director of the department of labor and training shall collect all of the capital
7 assessment amounts in a separate restricted purpose account and shall promptly transfer all the
8 amounts to the fund upon receipt and the amounts shall become the property of the fund pursuant
9 to § 27-7.2-14 for capital reserve and surplus purposes in recognition of the fund's role as carrier
10 of last resort. During the transition period, the assessment for this party shall equal three percent
11 (3%) of gross premiums received from workers' compensation insurance or employer's liability
12 insurance written or renewed on risks within the state or subject to the jurisdiction of the state, or
13 any other level of gross premiums that the director of the department of business regulation
14 deems appropriate to ensure both the solvency of the fund and the fund's ability to establish a
15 surplus reasonably adequate to allow it to complete the assumption of the residual risk market in
16 furtherance of the public purposes stated ~~above~~ in this chapter. For the purpose of this chapter,
17 "gross premiums" shall be calculated for insurance companies in the same manner as provided in
18 § 28-37-14 for the applicable period. From and after the transition period, the director of the
19 department of business regulation shall periodically determine the rate of the assessment at levels
20 adequate to allow the fund to service the residual risk market and satisfy the reserve and surplus
21 requirements of § 27-7.2-20.2.

22 (c) Each insurance company may pass through the entire capital assessment amount to
23 each of its policyholders on a pro rata basis.

24 ~~(d) In the event that any insurance company deemed by the director of the~~
25 ~~department of business regulation to have been licensed on January 1, 1991, to write~~
26 ~~workers' compensation insurance discontinues the issuance of workers' compensation~~
27 ~~insurance policies in Rhode Island prior to December 31, 1994, that company shall be~~
28 ~~and remain obligated to pay the capital assessment surcharge through December 31,~~
29 ~~1994, calculated on the basis of the average voluntary and residual risk gross premiums~~
30 ~~received or the average voluntary and residual risk gross losses paid in the thirty six (36)~~
31 ~~month period prior to its departure from the Rhode Island market.~~

32 (d)(e) The fund shall pay an annual fee to the director of the department of labor and
33 training in the amount of two-tenths of one percent (.2%) of the earned premiums of the fund for

the prior year in recognition of the continuing obligations of the department of labor and training under § 27-7.2-20.1 subsections (a) and (b) hereof of this section.

27-7.2-20.2. Reserves — Premium to surplus ratio — Insolvency fund. -- (a)

~~From and after January 1, 1995,~~ The fund shall maintain a ratio of premiums on policies written to surplus of not more than three (3) to one, or any greater or lesser ratio that the director of the department of business regulation deems appropriate. In determining the ratio, the director may at all times consider the net present value of future capital assessment amounts as current surplus. To facilitate the ongoing oversight of the fund, the fund shall submit to the department of business regulation quarterly and annual statements in the format and scope specified in § 27-12-2.

(b) The fund shall not participate in, or be subject to, the insurers' insolvency fund established under § 27-34-6.

(c) In the event of the liquidation of the fund pursuant to the Insurers' Rehabilitation and Liquidation Act, ~~R.I. Gen. Laws § 27-14.3~~ chapter 14.3 of this title, the fund's policy holders, in their capacity as owners of the fund, shall have no distributive claims under § 27-14.3-46(8) to the liquidation estate of the fund and, upon satisfaction of any other class 1 through class 7 claims under § 27-14.3-46, the insurance commissioner, as receiver, shall distribute the residual, if any, of the fund's liquidation estate to the director of the ~~Rhode Island~~ department of labor and training; provided, however, that in no event shall the foregoing affect the validity or priority of: ~~(i)~~ (1) any claims arising from and within the coverage of any policies of the fund; or ~~(ii)~~ (2) claims of the director of the Rhode Island department of labor and training to repayment of the term note of the fund issued pursuant to § 27-7.2-19.

SECTION 25. Section 27-9-51 of the General Laws in chapter 27-9 entitled "Casualty Insurance Rating" is hereby amended to read as follows:

27-9-51. Excess profits for workers' compensation and employer's liability

insurance prohibited. -- (a) Each insurance group shall file with the department prior to July 1 of each year, on a form prescribed by the department, the following data for workers' compensation and employers' liability insurance:

(1) The calendar year earned premium;

(2) Accident year incurred losses and loss adjustment expenses;

(3) The administrative and selling expenses incurred in Rhode Island or allocated to Rhode Island for the calendar year; and

(4) Policyholder dividends applicable to the calendar year.

(b) (1) Excess profit has been realized if the underwriting gain is greater than the anticipated underwriting profit plus five percent (5%) of earned premiums for the three (3) most recent calendar years;

(2) As used in this section with respect to any three (3) year period, “anticipated underwriting profit” means the sum of the dollar amounts obtained by multiplying, for each rate filing of the insurance group in effect during that period, the earned premiums applicable to the rate filing during that period by the percentage factor included in the rate filing for profit and contingencies, the percentage factor having been determined with due recognition to investment income from funds generated by Rhode Island business. Separate calculations need not be made for consecutive rate filings containing the same percentage factor for profits and contingencies.

(c) Each insurance group shall also file a schedule of Rhode Island loss and loss adjustment experience for each of the three (3) most recent accident years. The incurred losses and loss adjustment expenses shall be valued as of December 31 of the accident year, developed to an ultimate basis, and two (2) twelve (12) month intervals ~~thereafter~~ after this, each developed to an ultimate basis so that a total of three (3) evaluations will be provided for each accident year. ~~The first year to be so reported shall be accident year 1982, so that the reporting of three (3) accident years will not take place until accident years 1983 and 1984 have become available.~~ For reporting purposes unrelated to determining excessive profits, the loss and loss adjustment experience of each accident year shall continue to be reported until each accident year has been reported at eight (8) stages of development.

(d) Each insurance group’s underwriting gain or loss for each calendar accident year shall be computed as follows: The sum of the accident-year incurred losses and loss adjustment expenses as of December 31 of the year, developed to an ultimate basis, plus the administrative and selling expenses incurred in the calendar year, plus policyholder dividends applicable to the calendar year, shall be subtracted from the calendar year earned premium to determine the underwriting gain or loss.

(e) For the three (3) most recent calendar-accident years, the underwriting gain or loss shall be compared to the anticipated underwriting profit.

(f) If the insurance group has realized an excess profit, the department shall order a return of the excess amounts after affording the insurance group an opportunity for a hearing and ~~otherwise~~ complying with the provisions of the Administrative Procedures Act, chapter 35 of title 42. The excess amounts shall be refunded in all instances unless the insurance group affirmatively demonstrates to the department that the refund of the excess amounts will render the insurance group insolvent under the provisions of this title.

(g) Any excess profit of an insurance group offering workers' compensation or employers' liability insurance shall be returned to policyholders in the form of a cash refund or be returned to policyholders in the form of a credit toward the future purchase of insurance. The excess amount shall be refunded on a pro rata basis in relation to the final compilation year earned premiums to the workers' compensation policyholders of record of the insurance group on December 31 of the final compilation year.

(h) (1) Cash refunds to policyholders may be rounded to the nearest dollar;

(2) Data in required reports to the department may be rounded to the nearest dollar;

(3) Rounding, if elected by the insurance group, shall be applied consistently.

(i) (1) Refunds shall be completed in one of the following ways:

(i) If the insurance group elects to make a cash refund, the refund shall be completed within sixty (60) days of the entry of a final order indicating that excess profits have been realized; or

(ii) If the insurance group elects to make refunds in the form of a credit to renewal policies, the credits shall be applied to policy renewal premium notices which are forwarded to insureds more than sixty (60) calendar days after the entry of a final order indicating that excess profits have been realized. If an insurance group has made this election, but an insured ~~thereafter~~ after this cancels his or her policy or ~~otherwise~~ allows his or her policy to terminate, the insurance group shall make a cash refund not later than sixty (60) days after the termination of the coverage;

(2) Upon completion of the renewal credits or refund payments, the insurance group shall immediately certify to the department that the refunds have been made.

(j) Any refund or renewal credit made pursuant to this section, **for the purposes of reporting under this section for subsequent years,** shall be treated as a policyholder dividend applicable to the year in which it is incurred, **for the purposes of reporting under this section for subsequent years.**

SECTION 26. Section 27-10.1-4 of the General Laws in Chapter 27-10.1 entitled "Motor Vehicle Damage Appraisers" is hereby repealed.

~~**27-10.1-4. Applicability of chapter to present appraisers.** — Persons engaged in the performance of motor vehicle damage appraisal as of May 15, 1973, shall be entitled, upon proof thereof and payment of fees, to be issued a license without examination provided they file an application therefor prior to November 1, 1973.~~

SECTION 27. Section 27-11.1-6 of the General Laws in chapter 27-11.1 entitled "Investments by Domestic Insurance Companies" is hereby amended to read as follows:

1 **27-11.1-6. Applicability.** -- This chapter shall apply to all domestic companies
2 issued a certificate of compliance subsequent to May 8, 1984. ~~Those domestic companies~~
3 ~~currently in possession of a certificate of compliance shall have three (3) years from May~~
4 ~~8, 1984, to be in conformance with the provisions of this chapter.~~

5 SECTION 28. Section 27-12-4 of the General Laws in Chapter 27-12 entitled
6 “Annual Reports of Insurance Companies” is hereby amended to read as follows:

7 **27-12-4. Penalty for refusal to answer interrogatories.** -- Every insurance
8 producer who shall refuse or neglect to answer any interrogatories required under § 27-
9 12-3 for the space of thirty (30) days, and continues to act as an insurance producer, shall
10 be liable to the penalty prescribed in § ~~27-2.3-12 [repealed]~~ 27-2.4-14.

11 SECTION 29. Section 27-13.1-3 of the General Laws in Chapter 27-13.1 entitled
12 “Examinations” is hereby amended to read as follows:

13 **27-13.1-3. Authority, scope, and scheduling of examinations.** -- (a) The director or
14 any of his or her examiners may conduct an examination under this chapter of any company as
15 often as the director in his or her sole discretion deems appropriate, but shall, at a minimum,
16 conduct an examination of every insurer licensed in this state not less frequently than once every
17 five (5) years. In scheduling and determining the nature, scope, and frequency of the
18 examinations, the director shall consider ~~such~~ matters as the results of financial statement
19 analyses and ratios, changes in management or ownership, actuarial opinions, reports of
20 independent certified public accountants, and other criteria as set forth in the Examiners’
21 Handbook adopted by the National Association of Insurance Commissioners and in effect when
22 the director exercises discretion under this section.

23 (b) For the purposes of completing an examination of any company under this chapter,
24 the director may examine or investigate any person, or the business of any person, in so far as the
25 examination or investigation is, in the sole discretion of the director, necessary or material to the
26 examination of the company.

27 (c) In lieu of an examination under this chapter of any foreign or alien insurer licensed in
28 this state, the director may accept an examination report on the company as prepared by the
29 insurance department for the company’s state of domicile or port of entry state ~~until January 1,~~
30 ~~1994. Thereafter, the reports may only be accepted if:~~

31 (1) ~~(i)~~ The insurance department was at the time of the examination accredited under the
32 National Association of Insurance Commissioners’ financial regulation standards and
33 accreditation program; or

1 (2) ~~(ii)~~ The examination is performed under the supervision of an accredited insurance
2 department or with the participation of one or more examiners who are employed by an
3 accredited state insurance department and who, after a review of the examination work papers
4 and report, state under oath that the examination was performed in a manner consistent with the
5 standards and procedures required by their insurance department.

6 SECTION 30. Section 27-14.3-7 of the General Laws in Chapter 27-14.3 entitled
7 “Insurers’ Rehabilitation and Liquidation Act” is hereby repealed.

8 ~~**27-14.3-7. Effective date of chapter and inapplicability to pending**~~
9 ~~**delinquency proceedings.**~~ Every proceeding up to the present time commenced under
10 ~~the laws in effect before the enactment of this chapter shall not be deemed to have~~
11 ~~commenced under this chapter for the purpose of conducting the proceeding from this~~
12 ~~time forth. The provisions of this chapter shall apply only to those delinquency~~
13 ~~proceedings commenced after July 23, 1993. Nothing contained in this chapter shall be~~
14 ~~construed to create a legal right that is otherwise nonexistent under existing law, and~~
15 ~~nothing in this chapter shall be construed to deprive a person of any prior existing legal~~
16 ~~right. Notwithstanding any other provisions of law, for those delinquency proceedings~~
17 ~~commenced after July 23, 1993, this chapter shall supersede, repeal, and replace all~~
18 ~~provisions of law pertaining to insurance insolvencies and receiverships contained in~~
19 ~~chapters 1 and 14.~~

20 SECTION 31. Sections 27-16-1.2 and 27-16-5 of the General Laws in Chapter
21 27-16 entitled “Unauthorized Insurance Business” are hereby amended to read as
22 follows:

23 ~~**27-16-1.2. Certificate of compliance — Exceptions.**~~ -- (a) It shall be unlawful for any
24 insurer to transact insurance business in this state as set forth in subsection (b) of this section
25 without a certificate of compliance from the commissioner; provided, **however,** that this section
26 shall not apply to:

- 27 (1) The lawful transaction of surplus lines insurance;
- 28 (2) The lawful transaction of reinsurance by insurers;
- 29 (3) Transactions in this state involving a policy lawfully solicited, written, and delivered
30 outside of this state covering only subjects of insurance not resident, located, or expressly to be
31 performed in this state at the time of issuance, and which transactions are subsequent to the
32 issuance of the policy;

(4) Attorneys acting in the ordinary relation of attorney and client in the adjustment of claims or losses;

(5) Transactions in this state involving group life and group sickness and accident or blanket sickness and accident insurance or group annuities where the master policy of the groups was lawfully issued and delivered in and pursuant to the laws of a state in which the insurer was authorized to do an insurance business, to a group organized for purposes other than the procurement of insurance, and where the policyholder is domiciled or otherwise has a bona fide situs;

(6) Transactions in this state involving any policy of insurance or annuity contract issued prior to May 15, 1973;

(7) Transactions in this state relative to a policy issued outside of this state involving insurance on vessels, craft, or hulls, cargoes, marine protection, and indemnity or other risk, including strikes and war risks commonly insured under ocean or wet marine forms of policy;

(8) Transactions in this state involving contracts of insurance issued to one or more industrial insureds. An industrial insured is defined as an insured:

(i) Which procures the insurance of any risk by the use of the services of a full-time employee acting as insurance manager or buyer or the services of a regularly and continuously retained qualified insurance consultant;

(ii) Whose aggregate annual premiums on all risks excluding workers' compensation and group total at least twenty-five thousand dollars (\$25,000); and

(iii) Which has at least twenty-five (25) full-time employees; and

(9) (i) Transactions in this state involving life insurance, health insurance, or annuities provided to educational or religious or charitable institutions organized and operated without profit to any private shareholder or individual for the benefit of the institutions and individuals engaged in the service of the institutions;

(ii) ~~But~~ This exemption shall be conditional upon the company complying with the following requirements:

(A) Payment of an annual registration fee of five hundred dollars (\$500);

(B) Filing a copy of any policy or contract form, including annuities issued to any Rhode Island residents with the commissioner of insurance. ~~Effective January 1, 1997,~~ Each policy and contract form, including annuities, shall contain (on its front and declaration page) in at least twelve (12) point type the following notice:

NOTICE TO RHODE ISLAND RESIDENTS
THIS CONTRACT HAS BEEN PLACED WITH AN INSURER NOT LICENSED TO DO BUSINESS IN THE STATE OF RHODE ISLAND BUT ELIGIBLE AS AN UNLICENSED REGISTERED INSURER PURSUANT TO THE UNAUTHORIZED BUSINESS STATUTE.

1 THE INSURER IS NOT A MEMBER OF THE RHODE ISLAND LIFE AND HEALTH
2 GUARANTY ASSOCIATION. SHOULD THE INSURER BECOME INSOLVENT, THE
3 PROTECTION AND BENEFITS OF THE ASSOCIATION ARE NOT AVAILABLE.
4

5 (C) Filing a copy of its annual statement, prepared pursuant to the laws of its state of
6 domicile, ~~as well as~~ and such any other financial material ~~as that~~ may be requested by the
7 commissioner; and ~~further~~;

8 (D) ~~Provided~~ The company agrees to appoint the commissioner of insurance, and his or
9 her successors in office, as its attorney to receive service of legal process issued against it in
10 Rhode Island. The appointment is to be irrevocable and to bind the commissioner, and any
11 successors in interest, and to remain in effect as long as there is in force in this state any contract
12 issued by the company or any obligations arising ~~therefrom~~ from a contract.

13 (10) Rental car companies and their employees principally engaged in the rental of motor
14 vehicles and which offer in connection with and incidental to the rental of motor vehicles various
15 optional insurance coverages during the term of the rental, which shall be no more than forty-five
16 (45) days.

17 (11) Transactions that are insurance securitizations or reinsurance transactions entered
18 into by a protected cell of a protected cell company organized under the Protected Cell
19 Companies Act, chapter 64 of this title, as those terms are defined or utilized in that ~~act~~ chapter.

20 (b) Any of the following acts in this state effected by mail or otherwise, by or on behalf
21 of an insurer, is deemed to constitute the transaction of an insurance business in this state. The
22 venue of an act committed by mail is at the point where the matter transmitted by mail is
23 delivered and takes effect. Unless ~~otherwise~~ indicated, ~~the term~~ "insurer," as used in this section,
24 includes all corporations, associations, partnerships, and individuals engaged as principals in the
25 business of insurance and also includes interinsurance exchanges and mutual benefit societies:

26 (1) The making or proposing to make, as an insurer an insurance contract;

27 (2) The making of or proposing to make, as guarantor or surety, any contract of guaranty
28 or suretyship as a vocation and not merely incidental to any other legitimate business or activity
29 of the guarantor or surety;

30 (3) The taking or receiving of any application for insurance;

31 (4) The receiving or collection of any premium, commission, membership fees,
32 assessments, dues, or other consideration for an insurance or any part thereof of an insurance;

33 (5) The issuance or delivery of contracts of insurance to residents of this state or to
34 persons authorized to do business in this state;

35 (6) Directly or indirectly acting as an agent or insurance producer for or ~~otherwise~~
36 representing or aiding on behalf of another any person or insurer in the solicitation, negotiation,

1 procurement, or effectuation of insurance or renewals ~~thereof~~ of insurance or in the dissemination
2 of information as to coverage or rates, forwarding of applications, delivery of policies or
3 contracts, inspection of risks, fixing of rates or investigation or adjustment of claims or losses, or
4 in the transaction of matters subsequent to effectuation of the contract and arising out of it, or in
5 any other manner representing or assisting a person or insurer in the transaction of insurance with
6 respect to subjects of insurance, resident, located, or to be performed in this state. The provisions
7 of this subsection shall not operate to prohibit full-time salaried employees of a corporate insured
8 from acting in the capacity of an insurance manager or buyer in placing insurance in behalf of the
9 employer;

10 (7) The transaction of any kind of insurance business specifically recognized as
11 transacting an insurance business within the meaning of the statutes relating to insurance; or

12 (8) The transacting or proposing to transact any insurance business in substance
13 equivalent to any of ~~the foregoing~~ these in a manner designed to evade the provisions of the
14 statutes.

15 (c) The failure of an insurer transacting insurance business in this state to obtain a
16 certificate of compliance shall not impair the validity of any act or contract of the insurer and
17 shall not prevent the insurer from defending any action at law or suit in equity in any court of this
18 state, but no insurer transacting insurance business in this state without a certificate of authority
19 shall be permitted to maintain an action in any court of this state to enforce any right, claim, or
20 demand arising out of the transaction of insurance business until the insurer shall have obtained a
21 certificate of authority.

22 (d) In the event of the failure of any unauthorized insurer to pay any claim or loss
23 within the provisions of the insurance contract, any person who assisted or in any manner
24 aided directly or indirectly in the procurement of the insurance contract shall be liable to
25 the insured for the full amount of the claim or loss in the manner provided by the
26 provisions of the insurance contract.

27 **27-16-5. Acts constituting appointment of attorney to receive process.** -- Any
28 of the following acts in this state, effected by mail or otherwise, by an unauthorized
29 foreign or alien insurer is equivalent to and shall constitute an appointment by the insurer
30 of the insurance commissioner and the commissioner's successor or successors in office
31 to be the insurer's true and lawful attorney, upon whom may be served all lawful process
32 in any action, suit, or proceeding instituted by or on behalf of an insured or beneficiary
33 arising out of the contract of insurance, and the act shall be signification of its agreement

1 that service of process is of the same legal force and validity as personal service of
2 process in this state upon the insurer: (1) the issuance or delivery of contracts of
3 insurance or reinsurance to residents of this state or to corporations authorized to do
4 business ~~therein in this state~~; (2) the solicitation of applications for the contracts; (3) the
5 collection of premiums, membership fees, assessments or other considerations for the
6 contracts; or (4) any other transaction of insurance business; ~~is equivalent to and shall~~
7 ~~constitute an appointment by the insurer of the insurance commissioner and the~~
8 ~~commissioner's successor or successors in office to be the insurer's true and lawful~~
9 ~~attorney, upon whom may be served all lawful process in any action, suit, or proceeding~~
10 ~~instituted by or on behalf of an insured or beneficiary arising out of the contract of~~
11 ~~insurance, and the act shall be signification of its agreement that service of process is of~~
12 ~~the same legal force and validity as personal service of process in this state upon the~~
13 ~~insurer.~~

14 SECTION 32. Sections 27-17-4, 27-17-12, 27-17-14 and 27-17-20 of the General
15 Laws in Chapter 27-17 entitled "Reciprocal Exchanges and Interinsurers" are hereby
16 amended to read as follows:

17 **27-17-4. Declaration filed by attorney — Requirements for admission.** The
18 attorney shall file with the insurance commissioner, ~~herein~~ referred to in this chapter as
19 the "commissioner", a declaration verified by the oath of the attorney, or when the
20 attorney is a corporation, by the oath of its president or oaths of its treasurer and secretary
21 setting forth:

22 (1) The name of the attorney and the name or designation of the exchange under which
23 the contracts are to be issued, which name or designation shall not be so similar to any other
24 name or designation ~~theretofore~~ previously adopted by an attorney or by any insurance
25 organization in this state so as to confuse or mislead;

26 (2) The kind or kinds of insurance to be effected or exchanged;

27 (3) A copy of the form of policy contract or agreement under or by which the insurance is
28 to be effected or exchanged and forms of application ~~therefor~~ for that insurance;

29 (4) A certified copy of the power of attorney or other authorization of the attorney under
30 or by which the attorney is to effect or exchange the insurance contracts;

31 (5) The location of the office or offices from which the contracts or agreements are to be
32 issued;

1 (6) (i) That, except as to the kinds of insurance ~~hereinafter~~ specifically mentioned in this
2 subdivision, applications have been made for insurance upon at least one hundred (100) separate
3 risks, the liability to the exchange for premiums due ~~thereon~~ on the risks shall aggregate not less
4 than six hundred thousand dollars (\$600,000), represented by executed contracts or bona fide
5 applications to become concurrently effective, or, in lieu ~~thereof~~ of this amount, the exchange or
6 interinsurer is possessed of a surplus of not less than three hundred thousand dollars (\$300,000).
7 The minimum amount of surplus established as a requirement for the writing of other lines of
8 insurance as specified ~~elsewhere~~ in this section shall be in addition to that required by the
9 provisions of this subdivision;

10 (ii) In the case of employers' liability or workers' compensation insurance, applications
11 shall have been made for indemnity upon at least one hundred (100) separate risks having a total
12 annual premium of not less than two million five hundred thousand dollars (\$2,500,000), as
13 represented by executed contracts or bona fide applications to become concurrently effective, or,
14 in lieu ~~thereof~~ of this amount, the exchange or interinsurer is possessed of a surplus of not less
15 than one hundred thousand dollars (\$100,000);

16 (iii) In the case of automobile insurance, applications shall have been made for insurance
17 for at least two hundred (200) separate risks, or for insurance the premiums due the exchange
18 ~~thereon~~ on the risks shall aggregate not less than two hundred thousand dollars (\$200,000)
19 represented by executed contracts or bona fide applications to become concurrently effective on
20 any or all classes of automobile insurance effected by the subscribers through the attorney, or, in
21 lieu ~~thereof~~ of this amount, the exchange or interinsurer is possessed of a surplus of not less than
22 one hundred thousand dollars (\$100,000);

23 (iv) The surplus as provided ~~above~~ in this subdivision shall not be acceptable unless
24 invested in securities of the United States of America, the state of Rhode Island, or any other state
25 of the United States or political subdivision ~~thereof~~ of the state;

26 (7) That there shall be maintained at the exchange, available for the payment of losses,
27 assets conforming to the requirements of §§ 27-17-7 — 27-17-12;

28 (8) A financial statement under oath in the form prescribed by the commissioner;

29 (9) An instrument authorizing the service of process as provided for in this chapter; and

30 (10) A certificate from the proper official of the state where the principal office is
31 maintained, that the subscribers and the attorney have complied with all provisions of law and are
32 authorized in that state to transact the classes of business which are sought to be transacted in this
33 state.

1 **27-17-12. Deficiencies in reserves.** -- If at any time the amounts on hand are less
2 than the foregoing requirements specified in this chapter, the subscribers, or their attorney
3 for them, shall make up the deficiency.

4 **27-17-14. Cash premium deposit and contingent liability of subscriber.** -- The
5 power of attorney under which any contracts of insurance are exchanged pursuant to this
6 chapter shall provide for a cash premium deposit and a contingent liability of the
7 subscriber during each annual period of the term of each contract of insurance issued to
8 the subscriber to be fixed in the power of attorney, but in an amount not less than one nor
9 more than ten (10) times the amount of the annual portion of the cash premium deposit
10 stated in the contract, except that exchanges which have a required surplus equal to three
11 hundred fifty thousand dollars (\$350,000) or to the minimum capital, if any, required of a
12 stock insurance company transacting the same kind or kinds of business, whichever is
13 greater, may issue policies without contingent liability; provided, **however,** that the
14 exchange which shall have issued policies without contingent liability after the
15 acquisition of the surplus may continue to do so only so long as it maintains a surplus in
16 the **above** amount **required by this section**, and no exchange shall issue any non-
17 assessable policies, except during a time as it shall continue to maintain the surplus.

18 **27-17-20. ~~Application~~ Applicability of insurance producers' laws.** -- The
19 provisions of the general insurance laws of this state regarding the appointment,
20 licensing, qualification, and regulation of insurance producers shall not apply to an
21 exchange or its attorney, or to a traveling salaried employee, or to an executive officer ~~of~~
22 or the attorney if a corporation, but shall apply to any other person, partnership, or
23 corporation representing the reciprocal or interinsurance exchange in soliciting,
24 negotiating, or effecting of business in this state.

25 SECTION 33. Sections 27-18-3, 27-18-3.3, 27-18-25, 27-18-30, 27-18-31, 27-18-
26 33, 27-18-33.1, 27-18-34, 27-18-35, 27-18-36, 27-18-38, 27-18-39, 27-18-40, 27-18-41,
27 27-18-48, 27-18-48.1, 27-18-49, 27-18-52, 27-18-52.1, 27-18-57, 27-18-58 and 27-18-59
28 of the General Laws in Chapter 27-18 entitled "Accident and Sickness Insurance
29 Policies" are hereby amended to read as follows:

30 **27-18-3. Required provisions.** -- (a) Except as provided in § 27-18-5, each
31 policy delivered or issued for delivery to any person in this state shall contain the

provisions specified in this section in the words in which the provisions appear in this section; provided, **however**, that the insurer may, at its option, substitute, for one or more of the provisions, corresponding provisions of different wording approved by the commissioner which are in each instance not less favorable in any respect to the insured or the beneficiary. The provisions shall be preceded individually by the caption appearing in this subsection or, at the option of the insurer, by the appropriate individual or group captions or subcaptions as the commissioner may approve:

(1) A provision as follows:

“ENTIRE CONTRACT; CHANGES: This policy, including the endorsements and the attached papers, if any, constitutes the entire contract of insurance. No change in this policy shall be valid until approved by an executive officer of the insurer and unless the approval is endorsed ~~hereon~~ on the policy or attached ~~hereto~~ to it. No agent has authority to change this policy or to waive any of its provisions.”

(2) A provision as follows:

“TIME LIMIT ON CERTAIN DEFENSES: (a) After three (3) years from the date of issue of this policy no misstatements, except fraudulent misstatements, made by the applicant in the application for this policy shall be used to void the policy or to deny a claim for loss incurred or disability (as defined in the policy) commencing after the expiration of that three-year period.” ~~(The foregoing~~ This policy provision shall not be so construed as to affect any legal requirement for avoidance of a policy or denial of a claim during the initial three (3) year period, nor to limit the application of § 27-18-4(1), (2), (3), (4) and (5) in the event of a misstatement with respect to age or occupation or other insurance.)

(A policy which the insured has the right to continue in force subject to its terms by the timely payment of premium; ~~(A)~~ (i) until at least age fifty (50); or; ~~(B)~~ (ii) in the case of a policy issued after age forty-four (44), for at least five (5) years from its date of issue, may contain in lieu of ~~the foregoing~~ this provision the following provision (from which the clause in parentheses may be omitted at the insurer’s option) under the caption “INCONTESTABLE”:

“After this policy has been in force for a period of three (3) years during the lifetime of the insured (excluding any period during which the insured is disabled), it shall become incontestable as to the statements contained in the application.”)

“(b) No claim for loss incurred or disability (as defined in the policy) commencing after three (3) years from the date of issue of this policy shall be reduced or denied on the ground that a disease or physical condition not excluded from coverage by name or specific description effective on the date of loss had existed prior to the effective date of coverage of this policy.”

1 (3) A provision as follows:

2 "GRACE PERIOD: A grace period of _____" (insert a number not less than "seven"
3 (7) for weekly premium policies, "ten" (10) for monthly premium policies and "thirty-one" (31)
4 for all other policies) "days will be granted for the payment of each premium falling due after the
5 first premium, during which grace period the policy shall continue in force."

6 (A policy, which contains a cancellation provision may add, at the end of ~~the above~~ this
7 provision;

8 "subject to the right of the insurer to cancel in accordance with the cancellation provision ~~hereof~~
9 of this policy.")

10 (A policy in which the insurer reserves the right to refuse any renewal shall have, at the
11 beginning of ~~the above~~ this provision;

12 "Unless not less than ten (10) days prior to the premium due date the insurer has
13 delivered to the insured or has mailed to his or her last address as shown by the records of the
14 insurer written notice of its intention not to renew this policy beyond the period for which the
15 premium has been accepted,")

16 (4) A provision as follows:

17 "REINSTATEMENT: If any renewal premium ~~be~~ is not paid within the time granted the
18 insured for payment, a subsequent acceptance of premium by the insurer or by any agent duly
19 authorized by the insurer to accept ~~such~~ this premium, without requiring in connection ~~therewith~~
20 with this an application for reinstatement, shall reinstate the policy; provided, ~~however,~~ that if the
21 insurer or the agent requires an application for reinstatement and issues a conditional receipt for
22 the premium tendered, the policy will be reinstated upon approval of the application by the
23 insurer or, lacking approval, upon the forty-fifth(45th)day following the date of the conditional
24 receipt unless the insurer has previously notified the insured in writing of its disapproval of the
25 application. The reinstated policy shall cover only loss resulting from ~~such~~ an accidental injury as
26 may be sustained after the date of reinstatement and loss due to ~~such~~ sickness as may begin more
27 than ten (10) days after ~~such~~ this date. In all other respects the insured and insurer shall have the
28 same rights ~~thereunder~~ under this policy as they had under the policy immediately before the due
29 date of the defaulted premium, subject to any provisions endorsed ~~hereon~~ on this policy or
30 attached ~~hereto~~ to it in connection with the reinstatement. Any premium accepted in connection
31 with a reinstatement shall be applied to a period for which the premium has not been previously
32 paid, but not to any period more than sixty (60) days prior to the date of reinstatement."

33 (The last sentence of ~~the above~~ this provision may be omitted from any policy which the

insured has the right to continue in force subject to its terms by the timely payment of premiums;
(A) (i) until at least age fifty (50); or, (B) (ii) in the case of a policy issued after age forty-four
(44), for at least five (5) years from its date of issue.”)

(5) A provision as follows:

“NOTICE OF CLAIM: Written notice of claim must be given to the insurer within
twenty (20) days after the occurrence or commencement of any loss covered by the policy, or as
soon ~~thereafter~~ after this as is reasonably possible. Notice given by or on behalf of the insured or
the beneficiary to the insurer at _____” (insert the location of ~~such~~ the
office as the insurer may designate for the purpose), “or to any authorized agent of the insurer,
with information sufficient to identify the insured, shall be deemed notice to the insurer.”

(In a policy providing a loss of time benefit which may be payable for at least two (2)
years, an insurer may at its option insert the following between the first and second sentences of
~~the above~~ this provision:

“Subject to the qualifications set forth below, if the insured suffers loss of time on
account of disability for which indemnity may be payable for at least two (2) years, the insured
shall, at least once in every six (6) months after having given notice of claim, give to the insurer
notice of continuance of the disability, except in the event of legal incapacity. The period of six
(6) months following any filing of proof by the insured or any payment by the insurer on account
of the claim or any denial of liability in whole or in part by the insurer shall be excluded in
applying this provision. Delay in the giving of notice shall not impair the insured’s right to any
indemnity which would ~~otherwise~~ have accrued during the period of six (6) months preceding the
date on which the notice is actually given.”)

(6) A provision as follows:

“CLAIM FORMS: The insurer, upon receipt of a notice of claim, will furnish to the
claimant ~~such the~~ forms as that are usually furnished by it for filing proofs of loss. If the forms
are not furnished within fifteen (15) days after the giving of notice, the claimant shall be deemed
to have complied with the requirements of this policy as to proof of loss upon submitting, within
the time fixed in the policy for filing proofs of loss, written proof covering the occurrence, the
character, and the extent of the loss for which claim is made.”

(7) A provision as follows:

“PROOFS OF LOSS: Written proof of loss must be furnished to the insurer at its office
in the case of a claim for loss for which this policy provides any periodic payment contingent
upon continuing loss within ninety (90) days after the termination of the period for which the
insurer is liable and in the case of a claim for any other loss within ninety (90) days after the date

1 of the loss. Failure to furnish proof within the time required shall not invalidate nor reduce any
2 claim if it was not reasonably possible to give proof within ~~such~~ this required time, provided the
3 proof is furnished as soon as reasonably possible and in no event, except in the absence of legal
4 capacity, later than one year from the time proof is ~~otherwise~~ required.”

5 (8) A provision as follows:

6 “TIME OF PAYMENT OF CLAIMS: Indemnities payable under this policy for any loss
7 other than loss for which this policy provides any periodic payment will be paid immediately
8 upon receipt of ~~due~~ written proof of ~~such~~ this loss. Subject to ~~due~~ written proof of loss, all
9 accrued indemnities for loss for which this policy provides periodic payment will be paid
10 _____” (insert period for payments which must not be less frequently than
11 monthly) “and any balance remaining unpaid upon the termination of liability will be paid
12 immediately upon receipt of due written proof.”

13 (9) A provision as follows:

14 “PAYMENT OF CLAIMS: Indemnity for loss of life will be payable in accordance with
15 the beneficiary designation and the provisions respecting the payment which may be prescribed
16 herein and effective at the time of payment. If no ~~such~~ designation or provision is ~~then~~ effective,
17 indemnity shall be payable to the estate of the insured. Any other accrued indemnities unpaid at
18 the insured’s death may, at the option of the insurer, be paid either to the beneficiary or to ~~such~~
19 the estate. All other indemnities will be payable to the insured.”

20 (The following provisions, or either of ~~them~~ these provisions, may be included with ~~the~~
21 ~~foregoing~~ this provision at the option of the insurer:

22 “If any indemnity of this policy shall be payable to the estate of the insured, or to an
23 insured or beneficiary who is a minor or ~~otherwise~~ not competent to give a valid release, the
24 insurer may pay the indemnity, up to an amount not exceeding \$_____” (insert an
25 amount which shall not exceed one thousand dollars (\$1,000)), “to any relative by blood or
26 connection by marriage of the insured or beneficiary who is deemed by the insurer to be equitably
27 entitled ~~thereto~~ to it. Any payment made by the insurer in good faith pursuant to this provision
28 shall fully discharge the insurer to the extent of the payment.” “Subject to any written direction of
29 the insured in the application or otherwise, all or a portion of any indemnities provided by this
30 policy on account of hospital, nursing, medical, or surgical services may, at the insurer’s option
31 and unless the insured requests otherwise in writing not later than the time of filing proofs of the
32 loss, be paid directly to the hospital or person rendering the services; but it is not required that the
33 service be rendered by a particular hospital or person.”)

34 (10) A provision as follows:

1 “PHYSICAL EXAMINATIONS AND AUTOPSY: The insurer at its own expense shall
2 have the right and opportunity to examine the person of the insured when and as often as it may
3 reasonably require during the pendency of a claim hereunder and to make an autopsy in case of
4 death where it is not forbidden by law.”

5 (11) A provision as follows:

6 “LEGAL ACTIONS: No action at law or in equity shall be brought to recover on this
7 policy prior to the expiration of sixty (60) days after written proof of loss has been furnished in
8 accordance with the requirements of this policy. No action shall be brought after the expiration of
9 three (3) years after the time written proof of loss is required to be furnished.”

10 (12) A provision as follows:

11 “CHANGE OF BENEFICIARY: Unless the insured makes an irrevocable designation of
12 beneficiary, the right to change of beneficiary is reserved to the insured and the consent of the
13 beneficiary or beneficiaries shall not be requisite to surrender or assignment of this policy or to
14 any change of beneficiary or beneficiaries, or to any other changes in this policy.”

15 (The first clause of this provision, relating to the irrevocable designation of beneficiary,
16 may be omitted at the insurer’s option.)

17 (13) A provision as follows:

18 “‘Medical services’ means **such those** professional services and supplies rendered by or
19 under the direction of persons duly licensed under the laws of this state to practice medicine,
20 surgery, or podiatry as may be specified by any medical service plan. Medical service shall not be
21 construed to include hospital services.”

22 (b) (1) Each policy ~~hereafter~~ issued and/or renewed shall contain a minimum home health
23 care benefit as ~~outlined herein below~~ follows:

24 (i) **“Home health care”** is defined as a medically necessary program to reduce the length
25 of a hospital stay or to delay or eliminate ~~an otherwise~~ a medically necessary hospital admission;

26 (ii) The home health care program shall be formulated and supervised by the subscriber’s
27 physician;

28 (iii) **The M**inimum home health care coverage shall not exceed six (6) home or office
29 physician’s visits per month, and shall not exceed three (3) nursing visits per week, home health
30 aide visits up to twenty (20) hours per week, and the following services as needed: physical or
31 occupational therapy as a rehabilitative service, respiratory service, speech therapy, medical
32 social work, nutrition counseling, prescription drugs and medication, medical and surgical
33 supplies, such as dressings, bandages, and casts, minor equipment such as commodes and
34 walkers, laboratory testing, x-rays and E.E.G. and E.K.G. evaluations; and

(iv) Communicable diseases and/or nervous, emotional and mental illness are excluded from home health care coverage;

(2) The commissioner shall approve the wording in each policy ~~which~~ that in each instance shall not be less favorable in any respect to the insured or the beneficiary, as the benefits are outlined ~~herein above~~ in subdivision (1) of this subsection. Any accident and sickness insurance policy whose benefits are limited to income protection or the furnishing of disability income or a limited benefit health coverage are ~~hereby~~ excluded from this subsection. Notwithstanding the provisions of § 27-18-19(3), ~~as amended~~, the minimum home health care benefit shall be included in blanket and/or group policies of accident and sickness insurance;

(3) A “limited benefit policy,” for the purposes of this section, is any accident and sickness policy that covers one or more specified risks including, but not limited to, accidental death or injury or specified disease. A policy that broadly covers accident and sickness, but which contains exclusions and limitations with respect to certain risks or services, is not a limited benefit policy;

(4) With respect to blanket and/or group policies, the provisions of this subsection shall apply only to services provided to residents of Rhode Island or employees of Rhode Island employers.

27-18-3.3. Penalties. -- In addition to any other penalty provided by law, any person, firm, or corporation who violates §§ 27-18-3.1 — 27-18-3.5, after a hearing held in accordance with the provisions of § 42-35-9 by the department of business regulation, shall be fined civilly not less than one thousand dollars (\$1,000) nor more than two thousand five hundred dollars (\$2,500).

27-18-25. Unfair discrimination prohibited -- Notwithstanding any provision of any policy of insurance, certificate, or service contract issued ~~after May 9, 1968~~ in this state, whenever the insurance policy, certificate, or service contract provides for reimbursement for any services which may be legally performed by any person licensed under the provisions of chapters 29, 30, 35 and 37 of title 5, reimbursement under the insurance policy, certificate, or service contract shall not be denied because of race, color, or creed, nor shall any insurer make or permit any unfair discrimination against particular individuals or persons licensed under chapters 29, 30, 35 and 37 of title 5.

27-18-30. Health insurance contracts — Infertility. -- (a) Any health insurance contract, plan, or policy delivered or issued for delivery or renewed in this state, ~~on or~~

1 after ~~December 1, 1989~~, except contracts providing supplemental coverage to Medicare
2 or other governmental programs, which includes pregnancy related benefits, shall provide
3 coverage for medically necessary expenses of diagnosis and treatment of infertility. To
4 the extent that a health insurance contract provides reimbursement for a test or procedure
5 used in the diagnosis or treatment of conditions other than infertility, the tests and
6 procedures shall not be excluded from reimbursement when provided attendant to the
7 diagnosis and treatment of infertility; provided, that a subscriber copayment not to exceed
8 twenty percent (20%) may be required for those programs and/or procedures the sole
9 purpose of which is the treatment of infertility.

10 (b) For the purpose of this section, “infertility” ~~shall mean~~ means the condition of an
11 otherwise presumably healthy married individual who is unable to conceive or produce
12 conception during a period of one year.

13 (c) Notwithstanding the provisions of § 27-18-19 or any other provision to the contrary,
14 this section shall apply to blanket or group policies of insurance.

15 **27-18-31. Insurance coverage for services of licensed midwives.** -- (a) For the
16 purposes of this section, “licensed midwives” means any midwife licensed under § 23-
17 13-9.

18 (b) Every individual or group hospital or medical expense insurance policy or individual
19 or group hospital or medical services plan contract delivered, issued for delivery, or renewed in
20 this state ~~on or after January 1, 1991~~, shall provide coverage for the services of licensed midwives
21 in accordance with each health insurers’ respective principles and mechanisms of reimbursement
22 credentialing and contracting if the services are within the licensed midwives’ area of
23 professional competence as defined by regulations promulgated pursuant to § 23-13-9, and are
24 currently reimbursed when rendered by any other licensed health care provider. No insurer or
25 hospital or medical service corporation may require supervision, signature, or referral by any
26 other health care provider as a condition of reimbursement, except when those requirements are
27 also applicable to other categories of health care providers. No insurer or hospital or medical
28 service corporation or patient may be required to pay for duplicate services actually rendered by
29 both a licensed midwife and any other health care provider. Direct payment for licensed
30 midwives will be contingent upon services rendered in a licensed health care facility and for
31 services rendered in accordance with rules and regulations promulgated by the department of
32 health; provided, however, that this provision shall not prohibit payment for services pursuant to
33 § 42-62-26 or for other services reimbursed by third party payors.

1 **27-18-33. Drug coverage.** -- No group health insurer subject to the provisions of
2 this chapter that provides coverage for prescription drugs under a group plan master
3 contract delivered, issued for delivery, or renewed in this state ~~on or after July 1, 1991,~~
4 may require any person covered under the contract to obtain prescription drugs from a
5 mail order pharmacy as a condition of obtaining benefits for the drugs.

6 **27-18-33.1. Insurance coverage for post-partum hospital stays.** -- (a) Every
7 individual or group hospital or medical services plan contract delivered, issued for
8 delivery, as renewed in this state ~~on or after September 1, 1996~~ which provides maternity
9 benefits shall provide coverage for a forty-eight (48) hour time period in a hospital after a
10 vaginal birth and ninety-six (96) hours after a Cesarean section for a mother and her
11 newly born child. Any decision to shorten these minimum coverages shall be made by the
12 attending health care provider in consultation with the mother. The decision shall be
13 made in accordance with the standards for guidelines for perinatal care published by the
14 American College of Obstetrics and Gynecology and the American Academy of
15 Pediatrics. The standards shall be relative to early discharge, defined as less than forty-
16 eight (48) hours for a vaginal delivery and ninety-six (96) for a Cesarean delivery. In the
17 case of early discharge, post-delivery care shall include: home visits, parent education,
18 assistance and training in breast or bottle feeding and the performance of any necessary
19 and appropriate clinical tests or any other tests or services consistent with the above
20 guidelines.

21 (b) For the purposes of this section, “attending health care provider” ~~shall include~~
22 includes the attending obstetrician, pediatrician, family practitioner, general practitioner or
23 certified nurse midwife attending the mother and newly born child.

24 (c) Any subscriber who is aggrieved by a denial of benefits to be provided under
25 this section may appeal the denial in accordance with regulations of the department of
26 health, which have been promulgated pursuant to chapter 17.12 of title 23. No policy or
27 plan covered under this chapter shall terminate the services, reduce capitation payment,
28 or otherwise penalize an attending physician or other health care provider who orders
29 care consistent with the provisions of this section.

30 **27-18-34. Health insurance contracts — Certified registered nurse**
31 **practitioners and psychiatric and mental health nurse clinical specialists.** -- (a) Every
32 health insurance contract, plan, or policy delivered, issued for delivery, or renewed in this

1 state ~~may, through the period ending January 1, 1995, and thereafter,~~ shall provide
2 coverage for the services of a certified registered nurse practitioner and psychiatric and
3 mental health nurse clinical specialist practicing collaboration with or in the employ of a
4 physician licensed under chapter 37 of title 5 to subscribers, if the services are within the
5 certified registered nurse practitioner's or psychiatric and mental health nurse clinical
6 specialist's area of professional competence as established by education and certification,
7 and are currently reimbursed when rendered by any other licensed health care provider.
8 No insurer or hospital, medical service corporation, or health maintenance organization
9 may require the signature, by any other health care provider as a condition of
10 reimbursement. No insurer or hospital, medical service corporation, or health
11 maintenance organization may be required to pay for duplicative services actually
12 rendered by both a certified registered nurse practitioner and any other health care
13 provider.

14 (b) Nothing in this chapter shall preclude the conducting of managed care reviews and
15 medical necessity reviews by an insurer or hospital or medical service corporation or health
16 maintenance organization.

17 **27-18-35. Certified counselors in mental health and therapists in marriage**
18 **and family practice.** -- Every health insurance contract plan or policy delivered, issued
19 for delivery or renewed in this state, ~~on or after January 1, 1994,~~ except policies which
20 only provide coverage for specified diseases, fix indemnity, Medicare supplement long
21 term care disability income, or other limited benefit policies, shall provide coverage for
22 the services of counselors in mental health licensed pursuant to § 5-63.2-9 and therapists
23 in marriage and family practice licensed pursuant to § 5-63.2-10 excluding marital and
24 family therapy unless the individual is diagnosed with a mental disorder.

25 **27-18-36. New cancer therapies — Under investigation.** -- Every individual or
26 group hospital or medical expense insurance policy or individual or group hospital or
27 medical service plan contract delivered, issued for delivery or renewed in this state, ~~on or~~
28 ~~after January 1, 1995,~~ except policies which only provide coverage for specified diseases
29 other than cancer, fixed indemnity, disability income, accident only, long-term care
30 Medicare supplement limited benefit health, sickness or bodily injury or death by
31 accident or both, or other limited benefit policies, shall provide coverage for new cancer
32 therapies still under investigation as outlined in this chapter.

1 **27-18-38. Diabetes treatment.** -- (a) Every individual or group health insurance
2 contract, plan, or policy delivered, issued for delivery or renewed in this state ~~on or after~~
3 ~~January 1, 1997~~, which provides medical coverage that includes coverage for physician
4 services in a physician's office, and every policy which provides major medical or similar
5 comprehensive-type coverage, except for supplemental policies which only provide
6 coverage for specified diseases and other supplemental policies, shall include coverage
7 for the following equipment and supplies for the treatment of insulin treated diabetes,
8 non-insulin treated diabetes, and gestational diabetes, if medically appropriate and
9 prescribed by a physician: blood glucose monitors and blood glucose monitors for the
10 legally blind, test strips for glucose monitors and/or visual reading, insulin, injection aids,
11 cartridges for the legally blind, syringes, insulin pumps and appurtenances ~~thereto~~ to the
12 pumps, insulin infusion devices, and oral agents for controlling blood sugar and
13 therapeutic/molded shoes for the prevention of amputation.

14 (b) Upon the approval of new or improved diabetes equipment and supplies by the Food
15 and Drug Administration, all policies governed by this ~~act~~ section shall guarantee coverage of
16 new diabetes equipment and supplies when medically appropriate and prescribed by a physician.
17 These policies shall also include coverage, when medically necessary, for diabetes self-
18 management education to ensure that persons with diabetes are instructed in the self-management
19 and treatment of their diabetes, including information on the nutritional management of diabetes.
20 The coverage for self-management education and education relating to medical nutrition therapy
21 shall be limited to medically necessary visits upon the diagnosis of diabetes, where a physician
22 diagnoses a significant change in the patient's symptoms or conditions which necessitate changes
23 in a patient's self-management, or where reeducation or refresher training is necessary. This
24 education when medically necessary and prescribed by a physician, may be provided only by the
25 physician or, upon ~~his/her~~ his or her referral to an appropriately licensed and certified health care
26 provider and may be conducted in group settings. Coverage for self-management education and
27 education relating to medical nutrition therapy shall also include home visits when medically
28 necessary.

29 (c) Benefit plans offered by an insurer may impose copayment and/or deductibles for the
30 benefits mandated by this chapter; however, in no instance shall the copayment or deductible
31 amount be greater than the copayment or deductible amount imposed for other supplies,
32 equipment or physician office visits. Benefits for services under this ~~act~~ section shall be

reimbursed in accordance with the respective principles and mechanisms of reimbursement for each insurer, hospital, or medical service corporation, or health maintenance organization.

27-18-39. Mastectomy treatment. -- (a) Every individual or group health insurance contract, plan, or policy delivered, issued for delivery or renewed in this state ~~on or after January 1, 1997,~~ which provides medical coverage that includes coverage for physician services in a physician's office, and every policy which provides major medical or similar comprehensive-type coverage excluding supplemental policies which only provide coverage for specified diseases or other supplemental policies, shall include coverage for prosthetic devices and or reconstructive surgery to restore and achieve symmetry for the patient incident to a mastectomy. Coverage for prosthetic devices and reconstructive surgery shall be subject to the deductible and coinsurance conditions applied to the mastectomy and all other terms and conditions applicable to other benefits. Any reconstructive surgery under this section must be performed within eighteen (18) months of the original mastectomy. As used in this section, "mastectomy" means the removal of all or part of the breast to treat breast cancer, tumor, or mass.

~~(b) Any provision in any contract issued, amended, delivered or renewed in this state on or after January 1, 1997, which is in conflict with this section shall be of no force or effect.~~

~~(b)~~ (e) As used in this section, "prosthetic devices" means and includes the provision of initial and subsequent prosthetic devices pursuant to an order of the patient's physician or surgeon.

~~(c)~~ (d) Nothing in this section shall be construed to require an individual or group policy to cover the surgical procedure known as mastectomy or to prevent application of deductible or copayment provisions contained in the policy or plan, nor shall this section be construed to require that coverage under an individual or group policy be extended to any other procedures.

~~(d)~~ (e) Nothing in this section shall be construed to authorize an insured or plan member to receive the coverage required by this section if that coverage is furnished by a nonparticipating provider, unless the insured or plan member is referred to that provider by a participating physician, nurse practitioner, or certified nurse midwife providing care.

~~(e)~~ (f) Nothing in this section shall preclude the conducting of managed care reviews and medical necessity reviews, by an insurer, hospital or medical service corporation or health maintenance organization.

1 **27-18-40. Insurance coverage for mastectomy hospital stays.** -- (a) The Rhode
2 Island General Assembly ~~recognizes~~ recognizes that breast cancer is a unique illness
3 with both a physical and emotional impact on patients. Except as otherwise provided,
4 every individual or group hospital or medical services plan contract delivered, issued for
5 delivery, as renewed in this state ~~on or after September 1, 1997,~~ shall provide coverage
6 for a minimum forty-eight (48) hour time period in a hospital after the surgical
7 procedures known as a mastectomy, and a minimum twenty-four (24) hours after an
8 axillary node dissection.

9 **(b) Provided, however,** This section shall not apply to insurance coverage providing
10 benefits for: (1) hospital confinement indemnity; (2) disability income; (3) accident only; (4) long
11 term care; (5) medicare supplement; (6) limited benefit health; (7) specified disease indemnity;
12 (8) sickness or bodily injury or death by accident or both, and (9) other limited benefit policies.
13 Any decision to shorten these minimum coverages shall be made by the attending physician in
14 consultation with and upon agreement by the patient. If the patient participates in an early
15 discharge, defined as in-patient care following a mastectomy that is less than forty-eight (48)
16 hours and in-patient care following an axillary node dissection that is less than twenty-four (24)
17 hours, coverage shall include a minimum of one home visit conducted by a physician or
18 registered nurse.

19 **(c) (b)** Any subscriber who is aggrieved by a denial of benefits to be provided under this
20 section may appeal the denial in accordance with regulations of the department of health, which
21 have been promulgated pursuant to chapter 17.12 of title 23. No policy or plan covered under this
22 chapter shall terminate the services, reduce capitation payment, or otherwise penalize an
23 attending physician or other health care provider who orders care consistent with the provisions
24 of this section.

25 **(d) (c) Notice.** All plans subject to this section shall provide notice to each enrollee:

- 26 (1) In the next mass mailing made by the plan to the employee; or
27 (2) As part of any informational packet sent to the enrollee.

28 **27-18-41. Mammograms and pap smears — Coverage mandated.** -- (a) Every
29 individual or group hospital or medical expense insurance policy or individual or group
30 hospital or medical services plan contract delivered, issued for delivery, or renewed in
31 this state ~~on or after January 1, 1996,~~ shall provide coverage for mammograms and pap
32 smears, in accordance with guidelines established by the American cancer society.

(b) This section shall not apply to insurance coverage providing benefits for: (1) hospital confinement indemnity; (2) disability income; (3) accident only; (4) long term care; (5) Medicare supplement; (6) limited benefit health; (7) specified disease indemnity; (8) sickness or bodily injury or death by accident or both, and (9) other limited benefit policies.

27-18-48. Third party reimbursement for services of certain health care

workers. -- (a) Every individual or group hospital or medical services plan contract delivered, issued or renewed by an insurer or nonprofit or for profit health service corporation ~~on or after January 1, 1998,~~ which provides benefits to individual subscribers and members within the state, or to all group members having a principal place of employment within the state, shall provide benefits for services rendered by a certified registered nurse anesthetist designated as a certified registered nurse anesthetist by the board of nurse registration and nursing education; provided, however, that the following conditions are met:

(1) The certified registered nurse anesthetist provides certain health care services under the supervision of anesthesiologists, licensed physicians or licensed dentists in accordance with § 5-34.2-2(c), which requires substantial specialized knowledge, judgment and skill related to the administration of anesthesia, including pre-operative and post-operative assessment of patients; administering anesthetics; monitoring patients during anesthesia; management of fluids in intravenous therapy and management of respiratory care; ~~and~~

(2) The policy or contract currently provides benefits for identical services rendered by a provider of health care licensed by the state; and

(3) The certified registered nurse anesthetist is not a salaried employee of the licensed hospital or facility for which the accident and sickness insurer has an alternative contractual relationship to fund the services of a certified registered nurse anesthetist.

(b) It shall remain within the sole discretion of the health maintenance organization as to which certified registered nurse anesthetists it shall contract with. Reimbursement shall be provided according to the respective principles and policies of the health maintenance organization; provided, however, that no health maintenance organization may be required to pay for duplicative services actually rendered by a certified registered nurse anesthetist and any other health care provider. Nothing contained ~~herein~~ in this section shall preclude the health maintenance organization from conducting managed care, medical necessity or utilization review.

1 **27-18-48.1. Third party reimbursement for services of registered nurse first**
2 **assistants.** -- (a) Every individual or group hospital or medical services plan contract
3 delivered, issued or renewed by an insurer or nonprofit health service corporation ~~on or~~
4 ~~after January 1, 2000,~~ which provides benefits to individual subscribers and members
5 within the state, or to all group members having a principal place of employment within
6 the state, shall provide benefits for services rendered by a registered nurse first assistant
7 designated as a registered nurse first assistant provided, however, that the following
8 conditions are met:

9 (1) The registered nurse first assistant provides certain health care services under the
10 supervision of a licensed physician; is currently licensed as a registered nurse in Rhode Island;
11 has successfully completed a course in preparing the registered nurse as a first assistant in
12 accordance with the Association of Operating Room Nurses core curriculum guide for the
13 registered nurse first assistant and includes a minimum of one academic year in a college or
14 university with didactic instruction and clinical internship programs; and is certified in
15 perioperative nursing by the Certification Board Perioperative Nursing (minimum of two years
16 perioperative experience);

17 (2) The policy or contract, currently provides benefits for identical services rendered by a
18 provider of health care licensed by the state; and

19 (3) The registered nurse first assistant is not a salaried employee of the licensed hospital
20 or facility for which the accident and sickness insurer has an alternative contractual relationship
21 to fund the services of a registered nurse first assistant.

22 (b) It shall remain within the sole discretion of the accident and sickness insurer as to
23 which registered nurse first assistant it shall contract with. Reimbursement shall be provided
24 according to the respective principles and policies of the health maintenance organization;
25 provided, however, that no accident and sickness insurer may be required to provide direct
26 reimbursement, or pay for duplicative services actually rendered by a registered nurse first
27 assistant and any other health care provider. Nothing contained ~~herein~~ in this section shall
28 preclude the health maintenance organization from conducting managed care, medical necessity
29 or utilization review.;

30 (c) ~~provided, however, that~~ This section shall not apply to insurance coverage
31 providing benefits for: (1) hospital confinement indemnity, (2) disability income, (3)
32 accident only, (4) long term care, (5) Medicare supplement, (6) limited benefit health, (7)

specified disease indemnity, (8) sickness or bodily injury or death by accident or both, and (9)

27-18-49. Human leukocyte antigen testing. -- (a) Every individual or group hospital or medical services plan contract delivered or renewed in this state ~~on or after March 19, 1998,~~ shall include coverage of the cost for human leukocyte antigen testing, also referred to as histocompatibility locus antigen testing, for A, B, and DR antigens for utilization in bone marrow transplantation. The testing must be performed in a facility which is accredited by the American Association of Blood Banks or its successors, and is licensed under the Clinical Laboratory Improvement Act, 42 U.S.C. § 263a, as it may be from time to time amended. At the time of the testing, the person being tested must complete and sign an informed consent form which also authorizes the results of the test to be used for participation in the National Marrow Donor Program. The group hospital or medical services plan contract may limit each subscriber to one of these testings per lifetime.

(b) This section shall not apply to insurance coverage providing benefits for: ~~(i)(1)~~ hospital confinement indemnity; ~~(ii)(2)~~ disability income; ~~(iii)(3)~~ accident only; ~~(iv)(4)~~ long term care; ~~(v)(5)~~ Medicare supplement; ~~(vi)(6)~~ limited benefit health; ~~(vii)(7)~~ specified disease indemnity; ~~(viii)(8)~~ sickness or bodily injury or death by accident or both; and ~~(ix)(9)~~ other limited benefit policies.

27-18-52. Genetic testing. -- (a) Except as provided in chapter 37.3 of title 5, insurance administrators, health plans and providers shall be prohibited from releasing genetic information without prior written authorization of the individual. Written authorization shall be required for each disclosure and include to whom the disclosure is being made. An exception shall exist for those participating in research settings governed by the Federal Policy for the Protection of Human Research Subjects (also known as “The Common Rule”). Tests conducted purely for research are excluded from the definition, as are tests for somatic (as opposed to heritable) mutations, and testing for forensic purposes.

(b) No individual or group health insurance contract, plan, or policy delivered, issued for delivery, or renewed in this state ~~on or after January 1, 1999,~~ which provides health insurance medical coverage that includes coverage for physician services in a physician’s office, and every policy which provides major medical or similar comprehensive-type coverage excluding

1 disability income, long term care and insurance supplemental policies which only provide
2 coverage for specified diseases or other supplemental policies, shall:

3 (1) Use a genetic test or request for genetic tests or the results of a genetic test to reject,
4 deny, limit, cancel, refuse to renew, increase the rates of, affect the terms or conditions of, or
5 otherwise affect a group or an individual health insurance policy, contract, or plan;

6 (2) Request or require a genetic test for the purpose of determining whether or not to
7 issue or renew an individual's health benefits coverage, to set reimbursement/co-pay levels or
8 determine covered benefits and services;

9 (3) Release the results of a genetic test without the prior written authorization of the
10 individual from whom the test was obtained, except in a format whereby individual identifiers are
11 removed, encrypted, or encoded so that the identity of the individual is not disclosed. A recipient
12 of information pursuant to this section may use or disclose such information solely to carry out
13 the purpose for which the information was disclosed. Authorization shall be required for each
14 redisclosure; an exception shall exist for participating in research settings governed by the
15 Federal Policy for the Protection of Human Research Subjects (also known as "The Common
16 Rule").

17 (4) Request or require information as to whether an individual has ever had a genetic test,
18 or participated in genetic testing of any kind, whether for clinical or research purposes.

19 (c) For the purposes of this section, "genetic testing" is the analysis of an
20 individual's DNA, RNA, chromosomes, proteins and certain metabolites in order to
21 detect heritable disease-related genotypes, mutations, phenotypes or karyotypes for
22 clinical purposes. Such purposes include predicting risk of disease, identifying carriers,
23 establishing prenatal and clinical diagnosis or prognosis. Prenatal, newborn and carrier
24 screening, as well as testing in high risk families may be included provided there is an
25 approved release by a parent or guardian. Tests for metabolites are covered only when
26 they are undertaken with high probability that an excess or deficiency of the metabolite
27 indicates the presence of heritable mutations in single genes. "Genetic testing" does not
28 mean routine physical measurement, a routine chemical, blood, or urine analysis or a test
29 for drugs or for HIV infections.

30 **27-18-52.1. Genetic information** -- (a) Except as provided in chapter 37.3 of
31 title 5, insurance administrators, health plans and providers shall be prohibited from
32 releasing genetic information without prior written authorization of the individual.
33 Written authorization shall be required for each disclosure and include to whom the

disclosure is being made. An exception shall exist for those participating in research settings governed by the Federal Policy for the Protection of Human Research Subjects (also known as “The Common Rule”). Tests conducted purely for research are excluded from the definition, as are tests for somatic (as opposed to heritable) mutations, and testing for forensic purposes.

(b) No individual or group health insurance contract, plan, or policy delivered, issued for delivery, or renewed in this state ~~on or after January 1, 2002~~, which provides medical coverage that includes coverage for physician services in a physician’s office, and every policy which provides major medical or similar comprehensive-type coverage excluding disability income, long term care and insurance supplemental policies which only provide coverage for specified diseases or other supplemental policies, shall:

(1) Use genetic information or request for genetic information or the results of genetic information or other genetic information to reject, deny, limit, cancel, refuse to renew, increase the rates of, affect the terms or conditions of, or otherwise affect a group or an individual’s health insurance policy, contract, or plan;

(2) Request or require genetic information for the purpose of determining whether or not to issue or renew an individual’s health benefits coverage, to set reimbursement/co-pay levels or determine covered benefits and services;

(3) Release the results of genetic information without the prior written authorization of an individual from whom the information was obtained, except in a format where ~~by~~ individual identifiers are removed, encrypted, or encoded so that the identity of the individual is not disclosed. A recipient of information pursuant to this section may use or disclose **such the** information solely to carry out the purpose for which the information was disclosed.

Authorization shall be required for each redisclosure. An exception shall exist for participation in research settings governed by the Federal Policy for the Protection of Human Research Subjects (also known as “The Common Rule”);

(4) Request or require information as to whether an individual has genetic information, or participated in genetic information of any kind, whether for clinical or research purposes.

(c) For the purposes of this section, “genetic information” is information about genes, gene product, or inherited characteristics that may derive from the individual or a family member.

27-18-57. F.D.A. approved prescription contraceptive drugs and devices. --

(a) Every individual or group health insurance contract, plan, or policy that provides prescription coverage and is delivered, issued for delivery, or renewed in this state ~~on or~~

1 ~~after January 1, 2001~~, shall provide coverage for F.D.A. approved contraceptive drugs
2 and devices requiring a prescription. Provided, however, that nothing in this subsection
3 shall be deemed to mandate or require coverage for the prescription drug RU 486.

4 (b) Notwithstanding any other provision of this section, any insurance company may
5 issue to a religious employer an individual or group health insurance contract, plan, or policy that
6 excludes coverage for prescription contraceptive methods which are contrary to the religious
7 employer's bona fide religious tenets.

8 (c) As used in this section, "religious employer" means an employer that is a "church or
9 a qualified church-controlled organization" as defined in 26 U.S.C. § 3121.

10 (d) ~~Provided, however, that~~ This section does not apply to insurance coverage providing
11 benefits for: (1) hospital confinement indemnity; (2) disability income; (3) accident only; (4) long
12 term care; (5) Medicare supplement; (6) limited benefit health; (7) specified diseased indemnity;
13 (8) sickness of bodily injury or death by accident or both; and (9) other limited benefit policies.

14 (e) very religious employer that invokes the exemption provided under this
15 section shall provide written notice to prospective enrollees prior to enrollment with the
16 plan, listing the contraceptive health care services the employer refuses to cover for
17 religious reasons.

18 **27-18-58. Prostate and colorectal examinations — Coverage mandated.** --

19 Every individual or group hospital or medical expense insurance policy or individual or
20 group hospital or medical services plan contract delivered, issued for delivery, or
21 renewed in this state ~~on or after December 31, 2000~~, shall provide coverage for prostate
22 and colorectal examinations and laboratory tests for cancer for any nonsymptomatic
23 person covered under that policy or contract, in accordance with the current American
24 Cancer Society guidelines. Provided, however, this section does not apply to insurance
25 coverage providing benefits for: (1) hospital confinement indemnity; (2) disability
26 income; (3) accident only; (4) long-term care; (5) Medicare supplement; (6) limited
27 benefit health; (7) specific disease indemnity; (8) sickness or ~~body~~ bodily injury or death
28 by accident or both; and (9) other limited benefit policies.

29 **27-18-59. Termination of children's benefits.** -- (a) Every individual or group

30 health insurance contract, plan, or policy delivered, issued for delivery, or renewed in this
31 state ~~on or after January 1, 2001~~, which provides medical coverage that includes coverage
32 for physician services in a physician's office, and every policy which provides major

1 medical or similar comprehensive type coverage, except for supplemental policies which
2 only provide coverage for specified diseases and other supplemental policies, shall
3 include a provision that policyholders shall receive no less than thirty (30) days notice
4 from the accident and sickness insurer that a child covered as a dependent by the policy
5 holder is about to lose his or her coverage as a result of reaching the maximum age for a
6 dependent child, and that the child will only continue to be covered upon documentation
7 being provided of current college enrollment or that the child may purchase a conversion
8 policy if he or she is not a college student. Nothing in this section prohibits an accident
9 and sickness insurer from requiring a policyholder to annually provide proof of a child's
10 current college enrollment in order to maintain the child's coverage. Provided further,
11 nothing in this section requires coverage inconsistent with the membership criteria in
12 effect under the policyholder's health benefits coverage.

13 (b) ~~Provided, however, that~~ This section does not apply to insurance coverage
14 providing benefits for: (1) hospital confinement indemnity; (2) disability income; (3)
15 accident only; (4) long term care; (5) Medicare supplement; (6) limited benefit health; (7)
16 specified diseased indemnity; or (8) other limited benefit policies.

17 SECTION 34. Section 27-18.1-2 of the General Laws in Chapter 27-18.2 entitled
18 "Compliance of Health Benefit Contracts and Medical Assistance Program with Federal
19 Law" is hereby amended to read as follows:

20 **27-18.1-3. Exclusions and limitations prohibited** -- No insurance company,
21 health maintenance organization, or nonprofit corporation may issue, deliver, or renew
22 any contract providing a health benefit or benefits ~~on or after October 1, 1979~~ which
23 contains any provisions excluding or limiting its benefits on account of eligibility for or
24 payment of benefits under 42 U.S.C. § 1396 et seq.; provided, however, that the
25 application of this section shall not increase the personal liability to health care providers
26 of a medical assistance recipient of health services, as those services are defined in § 42-
27 62-4.

28 SECTION 35. Section 27-18-22 of the General Laws in Chapter 27-18 entitled
29 "Accident and Sickness Insurance Policies" is hereby amended to read as follows:

30 **27-18-22. Effect on other law**. -- Nothing in this chapter shall be construed to
31 repeal the provisions of chapter ~~43~~ 13.1 of this title.

1 SECTION 36. Sections 27-18.6-1, 27-18.6-3, and 27-18.6-7 of the General Laws
2 in Chapter 27-18.6 entitled “Large Group Health Insurance Coverage” are hereby
3 amended to read as follows:

4 **27-18.6-1. Purpose.** -- The purpose of this chapter is to insure compliance of all policies,
5 contracts, certificates, and agreements of group health insurance coverage offered or delivered in
6 this state with the Health Insurance Portability and Accountability Act of 1996 (P.L. 104-191).

7 **27-18.6-3. Limitation on preexisting condition exclusion.** -- (a) (1) Notwithstanding
8 any of the provisions of this title to the contrary, a group health plan and a health insurance
9 carrier offering group health insurance coverage shall not deny, exclude, or limit benefits with
10 respect to a participant or beneficiary because of a preexisting condition exclusion except if:

11 (i) The exclusion relates to a condition (whether physical or mental), regardless of the
12 cause of the condition, for which medical advice, diagnosis, care, or treatment was recommended
13 or received within the six (6) month period ending on the enrollment date;

14 (ii) The exclusion extends for a period of not more than twelve (12) months (or eighteen
15 (18) months in the case of a late enrollee) after the enrollment date; and

16 (iii) The period of the preexisting condition exclusion is reduced by the aggregate of the
17 periods of creditable coverage, if any, applicable to the participant or the beneficiary as of the
18 enrollment date.

19 (2) For purposes of this section, genetic information shall not be treated as a preexisting
20 condition in the absence of a diagnosis of the condition related to that information.

21 (b) With respect to ~~subsection~~ paragraph (a)(1)(iii) of this section, a period of creditable
22 coverage shall not be counted, with respect to enrollment of an individual under a group health
23 plan, if, after that period and before the enrollment date, there was a sixty-three (63) day period
24 during which the individual was not covered under any creditable coverage.

25 (c) Any period that an individual is in a waiting period for any coverage under a group
26 health plan or for group health insurance or is in an affiliation period shall not be taken into
27 account in determining the continuous period under subsection (b) of this section.

28 (d) Except as otherwise provided in subsection (e) of this section, for purposes of
29 applying ~~subsection~~ paragraph (a)(1)(iii) of this section, a group health plan and a health
30 insurance carrier offering group health insurance coverage shall count a period of creditable
31 coverage without regard to the specific benefits covered during the period.

32 (e) (1) A group health plan or a health insurance carrier offering group health insurance
33 may elect to apply ~~subsection~~ paragraph (a)(1)(iii) of this section based on coverage of benefits
34 within each of several classes or categories of benefits. Those classes or categories of benefits are

1 to be determined by the secretary of the United States Department of Health and Human Services
2 pursuant to regulation. The election shall be made on a uniform basis for all participants and
3 beneficiaries. Under the election, a group health plan or carrier shall count a period of creditable
4 coverage with respect to any class or category of benefits if any level of benefits is covered
5 within the class or category.

6 (2) In the case of an election under this subsection with respect to a group health plan
7 (whether or not health insurance coverage is provided in connection with that plan), the plan
8 shall:

9 (i) Prominently state in any disclosure statements concerning the plan, and state to each
10 enrollee under the plan, that the plan has made the election; and

11 (ii) Include in the statements a description of the effect of this election.

12 (3) In the case of an election under this subsection with respect to health insurance
13 coverage offered by a carrier in the large group market, the carrier shall:

14 (i) Prominently state in any disclosure statements concerning the coverage, and to each
15 employer at the time of the offer or sale of the coverage, that the carrier has made the election;
16 and

17 (ii) Include in the statements a description of the effect of the election.

18 (f) (1) A group health plan and a health insurance carrier offering group health insurance
19 coverage may not impose any preexisting condition exclusion in the case of an individual who, as
20 of the last day of the thirty (30) day period beginning with the date of birth, is covered under
21 creditable coverage.

22 (2) Subdivision (1) of this subsection shall no longer apply to an individual after the end
23 of the first sixty-three (63) day period during all of which the individual was not covered under
24 any creditable coverage. Moreover, any period that an individual is in a waiting period for any
25 coverage under a group health plan (or for group health insurance coverage) or is in an affiliation
26 period shall not be taken into account in determining the continuous period for purposes of
27 determining creditable coverage.

28 (g) (1) A group health plan and a health insurance carrier offering group health insurance
29 coverage may not impose any preexisting condition exclusion in the case of a child who is
30 adopted or placed for adoption before attaining eighteen (18) years of age and who, as of the last
31 day of the thirty (30) day period beginning on the date of the adoption or placement for adoption,
32 is covered under creditable coverage. The previous sentence does not apply to coverage before
33 the date of the adoption or placement for adoption.

(2) Subdivision (1) of this subsection shall no longer apply to an individual after the end of the first sixty-three (63) day period during all of which the individual was not covered under any creditable coverage. Moreover, any period that an individual is in a waiting period for any coverage under a group health plan (or for group health insurance coverage) or is in an affiliation period shall not be taken into account in determining the continuous period for purposes of determining creditable coverage.

(h) A group health plan and a health insurance carrier offering group health insurance coverage may not impose any preexisting condition exclusion relating to pregnancy as a preexisting condition.

(i) (1) Periods of creditable coverage with respect to an individual shall be established through presentation of certifications. A group health plan and a health insurance carrier offering group health insurance coverage shall provide certifications:

(i) At the time an individual ceases to be covered under the plan or otherwise becomes covered under a COBRA continuation provision;

(ii) In the case of an individual becoming covered under a continuation provision, at the time the individual ceases to be covered under that provision; and

(iii) On the request of an individual made not later than twenty-four (24) months after the date of cessation of the coverage described in ~~subparagraph~~ paragraph (i) or (ii) of this subdivision, whichever is later.

(2) The certification under this subsection may be provided, to the extent practicable, at a time consistent with notices required under any applicable COBRA continuation provision.

(3) The certification described in this subsection is a written certification of:

(i) The period of creditable coverage of the individual under the plan and the coverage (if any) under the COBRA continuation provision; and

(ii) The waiting period (if any) (and affiliation period, if applicable) imposed with respect to the individual for any coverage under the plan.

(4) To the extent that medical care under a group health plan consists of group health insurance coverage, the plan is deemed to have satisfied the certification requirement under this subsection if the health insurance carrier offering the coverage provides for the certification in accordance with this subsection.

(5) In the case of an election taken pursuant to subsection (e) of this section by a group health plan or a health insurance carrier, if the plan or carrier enrolls an individual for coverage under the plan and the individual provides a certification of creditable coverage, upon request of the plan or carrier, the entity which issued the certification shall promptly disclose to the

1 requisition plan or carrier information on coverage of classes and categories of health benefits
2 available under that entity's plan or coverage, and the entity may charge the requesting plan or
3 carrier for the reasonable cost of disclosing the information.

4 (6) Failure of an entity to provide information under this subsection with respect to
5 previous coverage of an individual so as to adversely affect any subsequent coverage of the
6 individual under another group health plan or health insurance coverage, as determined in
7 accordance with rules and regulations established by the secretary of the United States
8 Department of Health and Human Services, is a violation of this chapter.

9 (j) A group health plan and a health insurance carrier offering group health insurance
10 coverage in connection with a group health plan shall permit an employee who is eligible, but not
11 enrolled, for coverage under the terms of the plan (or a dependent of an employee if the
12 dependent is eligible, but not enrolled, for coverage under the terms) to enroll for coverage under
13 the terms of the plan if each of the following conditions are met:

14 (1) The employee or dependent was covered under a group health plan or had health
15 insurance coverage at the time coverage was previously offered to the employee or dependent;

16 (2) The employee stated in writing at the time that coverage under a group health plan or
17 health insurance coverage was the reason for declining enrollment, but only if the plan sponsor or
18 carrier (if applicable) required a statement at the time and provided the employee with notice of
19 that requirement (and the consequences of the requirement) at the time;

20 (3) The employee's or dependent's coverage described in subsection (j)(1):

21 (i) Was under a COBRA continuation provision and the coverage under that provision
22 was exhausted; or

23 (ii) Was not under a continuation provision and either the coverage was terminated as a
24 result of loss of eligibility for the coverage (including as a result of legal separation, divorce,
25 death, termination of employment, or reduction in the number of hours of employment) or
26 employer contributions towards the coverage were terminated; and

27 (4) Under the terms of the plan, the employee requests enrollment not later than thirty
28 (30) days after the date of exhaustion of coverage described in ~~subparagraph~~ paragraph (3)(i) of
29 this subsection or termination of coverage or employer contribution described in ~~subparagraph~~
30 paragraph (3)(ii) of this subsection.

31 (k) (1) If a group health plan makes coverage available with respect to a dependent of an
32 individual, the individual is a participant under the plan (or has met any waiting period applicable
33 to becoming a participant under the plan and is eligible to be enrolled under the plan but for a
34 failure to enroll during a previous enrollment period), and a person becomes a dependent of the

individual through marriage, birth, or adoption or placement through adoption, the group health plan shall provide for a dependent special enrollment period during which the person (or, if not otherwise enrolled, the individual) may be enrolled under the plan as a dependent of the individual, and in the case of the birth or adoption of a child, the spouse of the individual may be enrolled as a dependent of the individual if the spouse is otherwise eligible for coverage.

(2) A dependent special enrollment period shall be a period of not less than thirty (30) days and shall begin on the later of:

(i) The date dependent coverage is made available; or

(ii) The date of the marriage, birth, or adoption or placement for adoption (as the case may be).

(3) If an individual seeks to enroll a dependent during the first thirty (30) days of a dependent special enrollment period, the coverage of the dependent shall become effective:

(i) In the case of marriage, not later than the first day of the first month beginning after the date the completed request for enrollment is received;

(ii) In the case of a dependent's birth, as of the date of the birth; or

(iii) In the case of a dependent's adoption or placement for adoption, the date of the adoption or placement for adoption.

(l) (1) A health maintenance organization which offers health insurance coverage in connection with a group health plan and which does not impose any preexisting condition exclusion allowed under subsection (a) of this section with respect to any particular coverage option may impose an affiliation period for the coverage option, but only if that period is applied uniformly without regard to any health status-related factors, and the period does not exceed two (2) months (or three (3) months in the case of a late enrollee).

(2) For the purposes of this subsection, an affiliation shall begin on the enrollment date.

(3) An affiliation period under a plan shall run concurrently with any waiting period under the plan.

(4) The director may approve alternative methods from those described under this subsection to address adverse selection.

(m) For the purpose of determining creditable coverage pursuant to this chapter, no period before July 1, 1996, shall be taken into account. However, individuals who need to establish creditable coverage for periods before July 1, 1996, and who would have the coverage credited but for the prohibition in the preceding sentence may be given credit for creditable coverage for those periods through the presentation of documents or other means in accordance

with any rule or regulation that may be established by the secretary of the United States Department of Health and Human Services.

~~(n) (1) Subject to subsection (m), subsection (i) applies to events occurring after June 30, 1996. In no case shall a certification required under subsection (i) of this section be required to be provided before June 1, 1997.~~

~~(2) In the case of an event occurring after June 30, 1996, and before October 1, 1996, a certification is not required to be provided under subsection (i) unless an individual (with respect to whom the certification is otherwise required to be made) requests the certification in writing.~~

~~(3)~~ In the case of an individual who seeks to establish creditable coverage for any period for which certification is not required because **is it** relates to an event occurring before June 30, 1996, the individual may present other credible evidence of coverage in order to establish the period of creditable coverage. The group health plan and a health insurance carrier shall not be subject to any penalty or enforcement action with respect to the plan's or carrier's crediting (or not crediting) the coverage if the plan or carrier has sought to comply in good faith with the applicable requirements of this section.

27-18.6-7. Collective bargaining agreements. -- (a) Notwithstanding anything contained in this chapter to the contrary, except as provided in § 27-18.6-3(n), in the case of a group health plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified before ~~the date of the enactment of this chapter [July 13, 2000,];~~ this chapter does not apply to plan years beginning before the later of:

(1) The date on which the last of the collective bargaining agreements relating to the plan terminates (determined without regard to any extension of the collective bargaining agreement agreed to after ~~the date of the enactment of this chapter [July 13, 2000];~~); or

(2) July 1, 1997.

(b) For purposes of subdivision (a)(1) of this section, any plan amendment made pursuant to a collective bargaining agreement relating to the plan which amends the plan solely to conform to any requirement of this chapter shall not be treated as a termination of the collective bargaining agreement.

SECTION 37. sections 27-19-9, 27-19-23, 27-19-23.1, 27-19-26, 27-19-27, 27-19-32, 27-19-34, 27-19-34.1, 27-19-35, 27-19-40, 27-19-40.1, 27-19-41, 27-19-44.1, 27-19-48, and 27-19-50 of the General Laws in Chapter 27-19 entitled "Nonprofit Hospital Service Corporations" are hereby amended to read as follows:

1 **27-19-9. Examination of affairs of corporations .** -- It is the duty of the insurance
2 commissioner to make an examination of the financial condition and methods of doing business
3 of every nonprofit hospital service corporation. The examination shall be performed, and the
4 associated costs borne by the company, in accordance with all of the provisions of ~~§ 27-13-4~~
5 chapter 13.1 of this title.

6 **27-19-23. Coverage for infertility.** -- (a) Any nonprofit hospital service contract, plan,
7 or insurance policies ~~here and after~~ delivered, issued for delivery, or renewed in this state, ~~on or~~
8 ~~after December 1, 1989,~~ except contracts providing supplemental coverage to Medicare or other
9 governmental programs, which includes pregnancy related benefits shall provide coverage for
10 medically necessary expenses of diagnosis and treatment of infertility. To the extent that a
11 nonprofit hospital service corporation provides reimbursement for a test or procedure used in the
12 diagnosis or treatment of conditions other than infertility, those tests and procedures shall not be
13 excluded from reimbursement when provided attendant to the diagnosis and treatment of
14 infertility; provided, that a subscriber copayment, not to exceed twenty percent (20%), may be
15 required for those programs and/or procedures the sole purpose of which is the treatment of
16 infertility.

17 (b) For the purposes of this section, “infertility” ~~shall mean~~ means the condition of an
18 otherwise presumably healthy married individual who is unable to conceive or produce
19 conception during a period of one year.

20 **27-19-23.1. Insurance coverage for post-partum hospital stays.** -- (a) Every individual
21 or group hospital or medical services plan contract delivered, issued for delivery, as renewed in
22 this state ~~on or after September 1, 1996,~~ shall provide coverage for a forty-eight (48) hour time
23 period in a hospital after a vaginal birth and ninety-six (96) hours for a Cesarean section for a
24 mother and her newly born child. Any decision to shorten these minimum coverages shall be
25 made by the attending health care provider in consultation with the mother. The decision shall be
26 made in accordance with the standards for guidelines for perinatal care published by the
27 American College of Obstetrics and Gynecology and the American Academy of Pediatrics. The
28 standards shall be relative to early discharge, defined as less than forty-eight (48) hours for a
29 vaginal delivery and ninety-six (96) for a cesarean delivery. In the case of early discharge, post-
30 delivery care shall include home visits, parent education, assistance and training in breast or
31 bottle feeding and the performance of any necessary and appropriate clinical tests or any other
32 tests or services consistent with the above guidelines.

(b) For the purposes of this section, “attending health care provider” ~~shall include~~
includes the attending obstetrician, pediatrician, family practitioner, general practitioner, or
certified nurse midwife attending the mother and newly born child.

(c) Any subscriber who is aggrieved by a denial of benefits to be provided under this
section may appeal the denial in accordance with regulations of the department of health, which
have been ~~promulgated~~ promulgated pursuant to chapter 17.12 of title 23. No policy or plan
covered under this chapter shall terminate the services, reduce capitation payment, or otherwise
penalize an attending physician or other health care provider who orders care consistent with the
provisions of this section.

27-19-26. Drug coverage. -- No group health insurer subject to the provisions of this
chapter that provides coverage for prescription drugs under a group plan master contract
delivered, issued for delivery, or renewed in this state ~~on or after July 1, 1991,~~ may require any
person covered under the contract to obtain prescription drugs from a mail order pharmacy as a
condition of obtaining benefits for the drugs.

**27-19-27. Certified registered nurse practitioners and psychiatric and mental
health nurse clinical specialists.** -- (a) Every individual or group hospital or medical
expense insurance policy or individual or group hospital or medical service plan contract
delivered, issued for delivery, or renewed in this state ~~may through the period ending~~
~~January 1, 1995, and thereafter~~ shall provide coverage for the services of the certified
registered nurse practitioner and psychiatric and mental health nurse clinical specialist
practicing in collaboration with or in the employ of a physician licensed under chapter 37
of title 5 to subscribers, if the services are within the certified registered nurse
practitioner’s or psychiatric and mental health nurse clinical specialist’s area of
professional competence as established by education and certification, and are currently
reimbursed when rendered by any other licensed health care provider. No insurer or
hospital or medical service corporation may require signature by any other health care
provider as a condition of reimbursement. No insurer or hospital or medical service
corporation may be required to pay for duplicative services actually rendered by both a
certified nurse practitioner and any other health care provider.

(b) Nothing in this chapter shall preclude the conducting of managed care reviews and
medical necessity reviews by an insurer or hospital or medical service corporation or health
maintenance organization.

1 **27-19-32. New cancer therapies — Under investigation.** -- Every individual or
2 group hospital or medical expense insurance policy or individual or group hospital or
3 medical service plan contract delivered, issued for delivery or renewed in this state ~~on or~~
4 ~~after January 1, 1995,~~ shall provide coverage for new cancer therapies still under
5 investigation as outlined in this chapter.

6 **27-19-34. Mastectomy treatment.** -- (a) Every individual or group health
7 insurance contract, plan, or policy delivered, issued for delivery or renewed in this state
8 ~~on or after January 1, 1997,~~ which provides medical coverage that includes coverage for
9 physician services in a physician's office, and every policy which provides major medical
10 or similar comprehensive-type coverage, shall include coverage for prosthetic devices
11 and/or reconstructive surgery to restore and achieve symmetry for the patient incident to
12 a mastectomy. Coverage for prosthetic devices and reconstructive surgery shall be subject
13 to the deductible and coinsurance conditions applied to the mastectomy and all other
14 terms and conditions applicable to other benefits. Any reconstructive surgery under this
15 section must be performed within eighteen (18) months of the original mastectomy. As
16 used in this section, "mastectomy" means the removal of all or part of the breast to treat a
17 breast cancer, tumor, or mass.

18 (b) Any provision in any contract issued, amended, delivered or renewed in this state ~~on~~
19 ~~or after January 1, 1997,~~ which is in conflict with this section shall be of no force or effect.

20 (c) As used in this section, "prosthetic devices" means and includes the provisions of
21 initial and subsequent prosthetic devices pursuant to an order of the patient's physician or
22 surgeon.

23 (d) Nothing in this section shall be construed to require an individual or group policy to
24 cover the surgical procedure known as mastectomy or to prevent the application of deductible or
25 copayment provisions contained in the policy or plan, nor shall this section be construed to
26 require that coverage under an individual or group policy be extended to any other procedures.

27 (e) Nothing in this section shall be construed to authorize an insured or plan member to
28 receive the coverage required by this section if that coverage is furnished by a nonparticipating
29 provider, unless the insured or plan member is referred to that provider by a participating
30 physician, nurse practitioner, or certified nurse midwife providing care.

(f) Nothing in this section shall preclude the conducting of managed care reviews and medical necessity reviews, by an insurer, hospital or medical service corporation or health maintenance organization.

27-19-34.1. Insurance coverage for mastectomy hospital stays. -- (a) The Rhode Island General Assembly ~~recognizes~~ recognizes that breast cancer is a unique illness with both a physical and emotional impact on patients. Every individual or group hospital or medical services plan contract delivered, issued for delivery, as renewed in this state ~~on or after September 1, 1997,~~ shall provide coverage for a minimum forty-eight (48) hour time period in a hospital after the surgical procedures known as a mastectomy, and a minimum twenty-four (24) hours after an axillary node dissection. Any decision to shorten these minimum coverages shall be made by the attending physician in consultation with and upon agreement by the patient. If the patient participates in an early discharge, defined as in-patient care following a mastectomy that is less than forty-eight (48) hours and in-patient care following an axillary node dissection that is less than twenty-four (24) hours, coverage shall include a minimum of one home visit conducted by a physician or registered nurse.

(b) Any subscriber who is aggrieved by a denial of benefits to be provided under this section may appeal the denial in accordance with regulations of the department of health, which have been promulgated pursuant to chapter 17.12 of title 23. No policy or plan covered under this chapter shall terminate the services, reduce capitation payment, or otherwise penalize an attending physician or other health care provider who orders care consistent with the provisions of this section.

(c) ~~Notice.~~ All plans subject to this section shall provide notice to each enrollee:

(1) In the next mass mailing made by the plan to the employee; or

(2) As part of any informational packet sent to the enrollee.

27-19-35. Diabetes treatment. -- (a) Every individual or group health insurance contract, plan, or policy delivered, issued for delivery or renewed in this state ~~on or after January 1, 1997,~~ which provides medical coverage that includes coverage for physician services in a physician's office, and every policy which provides major medical or similar comprehensive-type coverage, shall include coverage for the following equipment and supplies for the treatment of insulin treated diabetes, non-insulin treated diabetes, and gestational diabetes when medically appropriate and prescribed by a physician: blood

1 glucose monitors and blood glucose monitors for the legally blind, test strips for glucose
2 monitors and/or visual reading, insulin, injection aids, cartridges for the legally blind,
3 syringes, insulin pumps and appurtenances ~~thereto~~ to the pumps, insulin infusion devices,
4 and oral agents for controlling blood sugar and therapeutic/molded shoes for the
5 prevention of amputation. Upon the approval of new or improved diabetes equipment and
6 supplies by the Food and Drug Administration, all policies governed by this chapter shall
7 guarantee coverage of new diabetes equipment and supplies when medically appropriate
8 and prescribed by a physician. The policies shall also include coverage, when medically
9 ~~nessary~~ necessary, for diabetes self-management education to ensure that persons with
10 diabetes are instructed in the self-management and treatment of their diabetes, including
11 information on the nutritional management of diabetes. The coverage for self-
12 management education and education relating to medical nutrition therapy shall be
13 limited to medically necessary visits upon the diagnoses of diabetes, where a physician
14 diagnosis a significant change in the patient's symptoms or conditions which necessitate
15 changes in a patient's self-management, or where reeducation or refresher training is
16 necessary. This education, when medically necessary and prescribed by a physician, may
17 be provided only by the **physician** or, upon ~~his/her~~ his or her referral ~~to~~ by an
18 appropriately licensed and certified health care provider and may be conducted in group
19 settings. Coverage for self-management education and education relating to medical
20 nutrition therapy shall also include home visits when medically necessary.

21 (b) Benefit plans offered by a hospital service corporation may impose copayment
22 and/or deductibles for the benefits mandated by this chapter, however, in no instance
23 shall the copayment or deductible amount be greater than the copayment or deductible
24 amount imposed for other supplies, equipment, or physician office visits. Benefits for
25 services under this chapter shall be reimbursed in accordance with the respective
26 principles and mechanisms of reimbursement for each insurer, hospital, or medical
27 service corporation, or health maintenance organization.

28 **27-19-40. Third party reimbursement for services of certain health care**
29 **workers.** -- (a) Every individual or group health insurance contract, plan or policy
30 delivered, issued or renewed by an insurer or nonprofit or for profit health service
31 corporation ~~on or after January 1, 1998,~~ which provides benefits to individual subscribers

1 and members within the state, or to all group members having a principal place of
2 employment within the state, shall provide benefits for services rendered by a certified
3 registered nurse anesthetist designated as a certified registered nurse anesthetist by the
4 board of nurse registration and nursing education; provided, **however,** that the following
5 conditions are met:

6 (1) The certified registered nurse anesthetist provides certain health care services under
7 the supervision of anesthesiologists, licensed physicians or licensed dentists in accordance with §
8 5-34.2-2(c), which requires substantial specialized knowledge, judgment and skill related to the
9 administration of anesthesia, including pre-operative and post-operative assessment of patients;
10 administering anesthetics, monitoring patients during anesthesia; management of fluids in
11 intravenous therapy and management of respiratory care; ~~and~~

12 (2) The policy or contract currently provides benefits for identical services rendered by a
13 provider of health care licensed by the state; and

14 (3) The certified registered nurse anesthetist is not a salaried employee of the licensed
15 hospital or facility for which the nonprofit hospital service corporation has an alternative
16 contractual relationship to fund the services of a certified registered nurse anesthetist.

17 (b) It shall remain within the sole discretion of the nonprofit hospital service corporation
18 as to which certified registered nurse anesthetists it shall contract with. Reimbursement shall be
19 provided according to the respective principles and policies of the nonprofit hospital service
20 corporation; provided, **however,** that no nonprofit hospital service corporation may be required to
21 pay for duplicative services actually rendered by a certified registered nurse anesthetist and any
22 other health care provider. Nothing contained ~~herein~~ in this section shall preclude the nonprofit
23 hospital service corporation from conducting managed care, medical necessity or ~~utilization~~
24 utilization review.

25 **27-19-40.1. Third party reimbursement for services of registered nurse first**
26 **assistants.** -- (a) Every individual or group health insurance contract, plan or policy
27 delivered, issued or renewed by an insurer or nonprofit or for profit health service
28 corporation ~~on or after January 1, 2000,~~ which provides benefits to individual subscribers
29 and members within the state, or to all group members having a principal place of
30 employment within the state, shall provide benefits for services rendered by a registered
31 nurse first assistant designated as a registered nurse first assistant provided, however, that
32 the following conditions are met:

(1) The registered nurse first assistant provides certain health care services under the supervision of a licensed physician; is currently licensed as a registered nurse in Rhode Island; has successfully completed a course in preparing the registered nurse as a first assistant in accordance with the Association of Operating Room Nurses core curriculum guide for the registered nurse first assistant and includes a minimum of one academic year in a college or university with didactic instruction and clinical internship programs; and is certified in perioperative nursing by the Certification Board Perioperative Nursing (minimum of two (2) years perioperative experience);

(2) The policy or contract currently provides benefits for identical services rendered by a provider of health care licensed by the state; and

(3) The registered nurse first assistant is not a salaried employee of the licensed hospital or facility for which the nonprofit hospital service corporation has an alternative contractual relationship to fund the services of a registered nurse first assistant.

(b) It shall remain within the sole discretion of the nonprofit hospital service corporation as to which registered nurse first assistant it shall contract with. Reimbursement shall be provided according to the respective principles and policies of the nonprofit hospital service corporation; provided, **however**, that no nonprofit hospital service corporation may be required to provide direct reimbursement, or pay for duplicative services actually rendered by a registered nurse first assistant in surgery and any other health care provider. Nothing contained in this section precludes the nonprofit hospital service corporations from conducting managed care, medical necessity or utilization review.

27-19-41. Human leukocyte antigen testing. -- Every individual or group hospital or medical services plan contract delivered or renewed in this state ~~on or after~~ ~~March 19, 1998~~, shall include coverage of the cost for human leukocyte antigen testing, also referred to as histocompatibility locus antigen testing, for A, B and DR antigens for utilization in bone marrow transplantation. The testing must be performed in a facility **which that** is accredited by the American Association of Blood Banks or its successors, and is licensed under the Clinical Laboratory Improvement Act, 42 U.S.C. § 263a, as it may be from time to time amended. At the time of the testing, the person being tested must complete and sign an informed consent form **which that** also authorizes the results of the test to be used for participation in the National Marrow Donor Program. The group hospital or medical services plan contract may limit each subscriber to one of these testings per lifetime.

1 **27-19-44.1. Genetic information** -- (a) Except as provided in chapter 37.3 of
2 title 5, insurance administrators, health plans and providers shall be prohibited from
3 releasing genetic information without prior written authorization of the individual.
4 Written authorization shall be required for each disclosure and include to whom the
5 disclosure is being made. An exception shall exist for those participating in research
6 settings governed by the federal policy for the protection of human research subjects
7 (also known as “The Common Rule”). Tests conducted purely for research are excluded
8 from the definition, as are tests for somatic (as opposed to heritable) mutations, and
9 testing for forensic purposes.

10 (b) No individual or group health insurance contract, plan, or policy delivered, issued for
11 delivery, or renewed in this state ~~on or after January 1, 2002,~~ which provides medical coverage
12 that includes coverage for physician services in a physician’s office, and every policy which
13 provides major medical or similar comprehensive-type coverage excluding disability income,
14 long term care and insurance supplemental policies which only provide coverage for specified
15 diseases or other supplemental policies, shall:

16 (1) Use genetic information or request for genetic information or the results of genetic
17 information or other genetic information to reject, deny, limit, cancel, refuse to renew, increase
18 the rates of, affect the terms or conditions of, or otherwise affect a group or an individual’s health
19 insurance policy, contract, or plan;

20 (2) Request or require genetic information for the purpose of determining whether or not
21 to issue or renew an individual’s health benefits coverage, to set reimbursement/co-pay levels or
22 determine covered benefits and services;

23 (3) Release the results of genetic information without the prior written authorization of
24 the individual from whom the information was obtained, except in a format ~~whereby~~ by which
25 individual identifiers are removed, encrypted, or encoded so that the identity of the individual is
26 not disclosed. A recipient of information pursuant to this section may use or disclose ~~such~~ the
27 information solely to carry out the purpose for which the information was disclosed.
28 Authorization shall be required for each redisclosure. An exception shall exist for participation in
29 research settings governed by the federal policy for the protection of human research subjects
30 (also known as “The Common Rule”);

31 (4) Request or require information as to whether an individual has genetic information, or
32 participated in genetic information of any kind, whether for clinical or research purposes.

(c) For the purposes of this section, “genetic information” is information about genes, gene product, or inherited characteristics that may derive from the individual or a family member.

27-19-48. F.D.A. approved prescription contraceptive drugs and devices. --

(a) Every individual or group health insurance contract, plan, or policy that provides prescription coverage and is delivered, issued for delivery, or renewed in this state ~~on or~~ after January 1, 2001, shall provide coverage for F.D.A. approved contraceptive drugs and devices requiring a prescription. Provided, **however,** that nothing in this subsection shall be deemed to mandate or require coverage for the prescription drug RU 486.

(b) Notwithstanding any other provision of this section, any hospital service corporation may issue to a religious employer an individual or group health insurance contract, plan, or policy that excludes coverage for prescription contraceptive methods which are contrary to the religious employer’s bona fide religious tenets.

(c) As used in this section, “religious employer” means an employer that is a “church or a qualified church-controlled organization” as defined in 26 U.S.C. § 3121.

(d) Every religious employer that invokes the exemption provided under this section shall provide written notice to prospective enrollees prior to enrollment with the plan, listing the contraceptive health care services the employer refuses to cover for religious reasons.

27-19-50. Termination of children’s benefits. -- (a) Every individual or group

health insurance contract, plan, or policy delivered, issued for delivery, or renewed in this state ~~on or after January 1, 2001,~~ which provides medical coverage that includes coverage for physician services in a physician’s office, and every policy which provides major medical or similar comprehensive type coverage, except for supplemental policies which only provide coverage for specified diseases and other supplemental policies, shall include a provision that policyholders shall receive no less than thirty (30) days notice from the nonprofit hospital service corporation that a child covered as a dependent by the policyholder is about to lose his or her coverage as a result of reaching the maximum age for a dependent child and that the child will only continue to be covered upon documentation being provided of current college enrollment, or that the child may purchase a conversion policy if he or she is not a college student.

(b) Nothing in this section prohibits a nonprofit hospital service corporation from requiring a policyholder to annually provide proof of a child’s current college enrollment in order

to maintain the child’s coverage. Provided further, nothing in this section requires coverage inconsistent with the membership criteria in effect under the policyholder’s health benefits coverage.

SECTION 38. section 27-19-45 of the General Laws in Chapter 27-19 entitled “Nonprofit Hospital Service Corporations” is hereby repealed in its entirety.

27-19-45. Conditions of coverage for new cancer therapies. As provided in § 27-19-32, coverage is extended to new cancer therapies still under investigation when the following circumstances are present:

~~(1) (a) Treatment is being provided pursuant to a phase II, III or IV clinical trial which has been approved by the National Institutes of Health (NIH) in cooperation with the National Cancer Institute (NCI), community clinical oncology programs; the Food and Drug Administration in the form of an investigational new drug (IND) exemption; the Department of Veterans’ Affairs; or a qualified nongovernmental research entity as identified in the guidelines for NCI cancer center support grants;~~

~~(2) (b) The proposed therapy has been reviewed and approved by a qualified institutional review board (IRB);~~

~~(3) (c) The facility and personnel providing the treatment are capable of doing so by virtue of their experience, training, and volume of patients treated to maintain expertise;~~

~~(4) (d) The patients receiving the investigational treatment meet all protocol requirements;~~

~~(5) (e) There is no clearly superior, noninvestigational alternative to the protocol treatment;~~

~~(6) (f) The available clinical or preclinical data provide a reasonable expectation that the protocol treatment will be at least as efficacious as the noninvestigational alternative; and~~

~~(7) (g) The coverage of new cancer therapy treatment provided pursuant to a phase II clinical trial is not required for that portion of that treatment that is provided as part of the phase II clinical trial and is otherwise funded by a national agency, such as the National Cancer Institute, the Veteran’s Administration, the Department of Defense, or funded by commercial organizations such as the biotechnical and/or pharmaceutical industry or manufacturers of medical devices. Any portions of a phase II trial which are customarily funded by government, biotechnical and/or pharmaceutical and/or medical device industry sources in Rhode Island or in other states shall continue to be funded in Rhode Island and coverage pursuant to this section supplements, does not supplant customary funding.~~

SECTION 39. sections 27-20-5, 27-20-17.1, 27-20-20, 27-20-23, 27-20-29, 27-20-29.1, 27-20-30, 27-20-35, 27-20-35.1, 27-20-36, 27-20-39.1, 27-20-43, and 27-20-45 of the General Laws in Chapter 27-20 entitled “Nonprofit Medical Service Corporations” are hereby amended to read as follows:

27-20-5. Contracts with subscribers. -- Each nonprofit medical service corporation may contract with its subscribers for any medical service as may be from time to time provided under any nonprofit medical service plan adopted by the corporation; provided, that:

(1) If any medical service as may be provided for from time to time shall include service which may be lawfully performed or rendered by a podiatrist, the contract shall provide for the payment for the service so performed or rendered by a podiatrist;

~~(2) provided further, that~~ If any medical service as may be provided for from time to time shall include service which may be lawfully performed or rendered by a certified registered nurse practitioner or psychiatric and mental health nurse clinical specialist, the contract will provide for the payment for the service so performed or rendered by a certified registered nurse practitioner or psychiatric and mental health nurse clinical specialist to subscribers. No nonprofit medical service corporation may require supervision, signature, or referral by any other health care provider as a condition of reimbursement to a certified registered nurse practitioner; provided, that no nonprofit medical service corporation may be required to pay for duplicative services actually rendered by both a certified registered nurse practitioner and any other health care provider;

~~(3) and further provided, that~~ If any medical service as may be provided for from time to time shall include service which may be lawfully performed or rendered by a licensed midwife, the contract delivered, issued for delivery, or renewed in this state ~~on or after January 1991~~ shall provide for the payment for the service so performed or rendered by a licensed midwife in accordance with each health insurers’ respective principles and mechanisms of reimbursement credentialing and contracting if those services are within the licensed midwives’ area of professional competence as defined by regulations promulgated pursuant to § 23-13-9, and are currently reimbursed when rendered by any other licensed health care provider. No nonprofit medical service corporation may require supervision, signature, or referral by any other health care provider as a condition of reimbursement except when the requirements are also applicable to other categories of health care providers; provided, no insurer or hospital or medical service corporation or patient may be required to pay for duplicate services actually rendered by both a licensed midwife and any other health care provider. Direct payment for licensed midwives will

1 be contingent upon services rendered in a licensed health care facility and for services rendered in
2 accordance with rules and regulations promulgated by the department of health; provided,
3 however, that this provision shall not prohibit payment for services pursuant to § 42-62-26 or for
4 other services reimbursed by third party payors; and

5 ~~(4) provided further, that~~ If any medical service which may be provided for from time to
6 time shall include service which may be rendered by a counselor in mental health or a therapist in
7 marriage and family practice, excluding marital and family therapy unless there is an individual
8 diagnosed with a mental disorder, the contract shall provide for payment for the service so
9 performed or rendered when deemed medically necessary by the nonprofit medical service
10 corporation in accordance with its standard medical management protocols and within the
11 nonprofit medical service corporation's subscriber contractual limits. In the case of a limited
12 provider network, it shall remain within the sole discretion of the nonprofit medical service
13 corporation as to which certified counselors in mental health and certified therapists in marriage
14 and family practice with which it shall contract. Nothing contained ~~herein~~ in this subdivision shall
15 require the nonprofit medical service corporation to provide coverage other than in conjunction
16 with a related medical illness.

17 (5) No contract between a nonprofit medical service corporation and a dentist for
18 the provisions of services to patients may require that the dentist indemnify or hold
19 harmless the nonprofit medical service corporation for any expenses and liabilities,
20 including without limitation, judgments, settlements, attorneys' fees, court costs, and any
21 associated charges, incurred in connection with any claim or action brought against the
22 nonprofit medical service corporation based on the nonprofit medical service
23 corporation's management decisions, or utilization review provisions for any patient.

24 **27-20-17.1. Insurance coverage for post-partum hospital stays.** – (a) Every
25 individual or group hospital or medical services plan contract delivered, issued for delivery, or
26 renewed in this state ~~on or after September 1, 1996~~ shall provide coverage for a forty-eight (48)
27 hour time period in a hospital after a vaginal birth and ninety-six (96) hours after a Cesarean
28 section for a mother and her newly born child. Any decision to shorten these minimum coverages
29 shall be made by the attending health care provider in consultation with the mother. The decision
30 shall be made in accordance with the standards for guidelines for perinatal care published by the
31 American College of Obstetrics and Gynecology and the American Academy of Pediatrics. The
32 standards shall be relative to early discharge, defined as less than forth-eight (48) hours for a
33 vaginal delivery and ninety-six (96) for a Cesarean delivery. In the case of early discharge, post-
34 delivery care shall include; home visits, parent education, assistance and training in breast or

bottle feeding and the performance of any necessary and appropriate clinical tests or any other tests or services consistent with the above guidelines.

(b) For the purposes of this section, “attending health care provider” ~~shall include~~ includes the attending obstetrician, pediatrician, family practitioner, general practitioner or certified nurse midwife attending the mother and newly born child.

(c) Any subscriber who is aggrieved by a denial of benefits to be provided under this section may appeal the denial in accordance with regulations of the department of health, which have been promulgated pursuant to chapter 17.12 of title 23. No policy or plan covered under this chapter shall terminate the services, reduce capitation payment, or otherwise penalize an attending physician or other health care provider who orders care consistent with the provisions of this section.

27-20-20. Coverage for infertility. -- (a) Any nonprofit medical service contract, plan, or insurance policies ~~here and after~~ delivered, issued for delivery, or renewed in this state, ~~on or after December 1, 1989,~~ except contracts providing supplemental coverage to Medicare or other governmental programs, which includes pregnancy related benefits shall provide coverage for the medically necessary expenses of diagnosis and treatment of infertility. To the extent that a nonprofit medical service corporation provides reimbursement for a test or procedure used in the diagnosis or treatment of conditions other than infertility, those tests and procedures shall not be excluded from reimbursement when provided attendant to the diagnosis and treatment of infertility. Provided that, subscriber copayment, not to exceed twenty percent (20%), may be required for those programs and/or procedures the sole purpose of which is the treatment of infertility.

(b) For the purposes of this section, “infertility” ~~shall mean~~ means the condition of an otherwise presumably healthy married individual who is unable to conceive or produce conception during a period of one year.

27-20-23. Drug coverage. -- No group health insurer subject to the provisions of this chapter that provides coverage for prescription drugs under a group plan master contract delivered, issued for delivery, or renewed in this state ~~on or after July 1, 1991,~~ may require any person covered under the contract to obtain prescription drugs from a mail order pharmacy as a condition of obtaining benefits for the drugs.

27-20-29. Mastectomy treatment. -- (a) Every individual or group health insurance contract, plan or policy delivered, issued for delivery or renewed in this state ~~on or after January 1, 1997,~~ which provides medical coverage that includes coverage for physician services in a physician’s office, and every policy which provides major medical or similar comprehensive-type

1 coverage, shall include coverage for prosthetic devices or reconstructive surgery to restore and
2 achieve symmetry for the patient incident to a mastectomy. Coverage for prosthetic devices and
3 reconstructive surgery shall be subject to the deductible and coinsurance conditions applied to the
4 mastectomy and all other terms and conditions applicable to other benefits. Any reconstructive
5 surgery under this section must be performed within eighteen (18) months of the original
6 mastectomy. As used in this section, “mastectomy” means the removal of all or part of the breast
7 to treat a breast cancer, tumor, or mass.

8 (b) Any provision in any contract issued, amended, delivered or renewed in this state ~~on~~
9 ~~or after January 1, 1997~~, which is in conflict with this section shall be of no force or effect.

10 (c) As used in this section, “prosthetic devices” means and includes the provision of
11 initial and subsequent prosthetic devices pursuant to an order of the patient’s physician or
12 surgeon.

13 (d) Nothing in this section shall be construed to require an individual or group policy to
14 cover the surgical procedure known as mastectomy or to prevent the application of deductible or
15 copayment provisions contained in the policy or plan, nor shall this section be construed to
16 require that coverage under an individual or group policy be extended to any other procedures.

17 (e) Nothing in this section shall be construed to authorize an insured or plan member to
18 receive the coverage required by this section if that coverage is furnished by a nonparticipating
19 provider, unless the insured or plan member is referred to that provider by a participating
20 physician, nurse practitioner, or certified nurse midwife providing care.

21 (f) Nothing in this section shall preclude the conducting of managed care reviews
22 and medical necessity reviews, by an insurer, hospital or medical service corporation or
23 health maintenance organization.

24 **27-20-29.1. Insurance coverage for mastectomy hospital stays.**-- (a) The
25 Rhode Island General Assembly ~~recognizes~~ recognizes that breast cancer is a unique
26 illness with both a physical and emotional impact on patients. Every individual or group
27 hospital or medical services plan contract delivered, issued for delivery, or renewed in
28 this state ~~on or after September 1, 1997~~, shall provide coverage for a minimum forty-
29 eight (48) hour time period in a hospital after the surgical procedures known as a
30 mastectomy, and a minimum twenty-four (24) hours after an axillary node dissection. Any
31 decision to shorten these minimum coverages shall be made by the attending physician in
32 consultation with and upon agreement by the patient. If the patient participates in an early
33 discharge, defined as in-patient care following a mastectomy that is less than forty-eight

1 hours and in-patient care following an axillary node dissection that is less than twenty-
2 four (24) hours, coverage shall include a minimum of one home visit conducted by a
3 physician or registered nurse.

4 (b) Any subscriber who is aggrieved by a denial of benefits to be provided under this
5 section may appeal the denial in accordance with regulations of the department of health, which
6 have been promulgated pursuant to chapter 23 of title 17.12. No policy or plan covered under this
7 chapter shall terminate the services, reduce capitation payment, or otherwise penalize an
8 attending physician or other health care provider who orders care consistent with the provisions
9 of this section.

10 (c) ~~Notice.~~ All plans subject to this section shall provide notice to each enrollee:

11 (1) In the next mass mailing made by the plan to the employee; or

12 (2) As part of any informational packet sent to the enrollee.

13 **27-20-30. Diabetes treatment.** -- (a) Every individual or group health insurance
14 contract, plan, or policy delivered, issued for delivery or renewed in this state ~~on or after January~~
15 ~~1, 1997,~~ which provides medical coverage that includes coverage for physician services in a
16 physician's office, and every policy which provides major medical or similar comprehensive-type
17 coverage, shall include coverage for the following equipment and supplies for the treatment of
18 insulin treated diabetes, non-insulin treated diabetes, and gestational diabetes when medically
19 appropriate and prescribed by a physician: blood glucose monitors and blood glucose monitors
20 for the legally blind, test strips for glucose monitors and/or visual reading, insulin, injection aids,
21 ~~cartridges~~ cartridges for the legally blind, syringes, insulin pumps, and appurtenances ~~thereto~~ to
22 the pumps, insulin infusion devices, and oral agents for controlling blood sugar and
23 therapeutic/molded shoes for the prevention of amputation. Upon the approval of new or
24 improved diabetes equipment and supplies by the Food and Drug Administration, all policies
25 governed by this chapter shall guarantee coverage of new diabetes equipment and supplies when
26 medically appropriate and prescribed by a physician. These policies shall also include coverage,
27 when medically necessary, for diabetes self-management education to ensure that persons with
28 diabetes are instructed in the self-management and treatment of their diabetes, including
29 information on the nutritional management of diabetes. The coverage for self-management
30 education and education relating to medical nutrition therapy shall be limited to medically
31 necessary visits upon the diagnosis of diabetes, where a physician diagnosis a significant change
32 in the patient's symptoms or conditions which necessitate changes in a patient's self-
33 management, or where reeducation or refresher training is necessary. This education, when
34 medically necessary and prescribed by a physician, may be provided only by the ~~physician~~

1 physician or, upon ~~his/her~~ his or her referral, to an appropriately licensed and certified health care
2 provider, and may be conducted in group settings. Coverage for self-management education and
3 education relating to medical nutrition therapy shall also include home visits when medically
4 necessary.

5 (b) Benefit plans offered by a hospital service corporation may impose copayment and/or
6 deductibles for the benefits mandated by this chapter, however, in no instance shall the
7 copayment or deductible amount be greater than the copayment or deductible amount imposed for
8 other supplies, equipment, or physician office visits. Benefits for services under this chapter shall
9 be reimbursed in accordance with the respective principles and mechanisms of reimbursement for
10 each insurer, hospital, or medical service corporation, or health maintenance organization.

11 **27-20-35. Third party reimbursement for services of certain health care workers. --**

12 (a) Every individual or group health insurance contract, plan or policy delivered, issued or
13 renewed by an insurer or nonprofit or for profit health service corporation ~~on or after January 1,~~
14 ~~1998~~, which provides benefits to individual subscribers and members within the state, or to all
15 group members having a principal place of employment within the state, shall provide benefits
16 for services rendered by a certified registered nurse anesthetist designated as a certified registered
17 nurse anesthetist by the board of nurse registration and nursing education; provided, however,
18 that the following conditions are met:

19 (1) The certified registered nurse anesthetist provides certain health care services under
20 the supervision of anesthesiologists, licensed physicians or licensed dentists in accordance with §
21 5-34.2-2(c), which requires substantial specialized knowledge, judgment and skill related to the
22 administration of anesthesia, including pre-operative and post-operative assessment of patients;
23 administering anesthetics; monitoring patients during anesthesia; management of fluids in
24 intravenous therapy and management of respiratory care; ~~and~~

25 (2) The policy or contract currently provides benefits for identical services rendered by a
26 provider of health care licensed by the state; and

27 (3) The certified registered nurse anesthetist is not a salaried employee of the licensed
28 hospital or facility for which the nonprofit medical service corporation has an alternative
29 contractual relationship to fund the services of a certified registered nurse anesthetist.

30 (b) It shall remain within the sole discretion of the nonprofit medical service
31 corporation as to which certified registered nurse anesthetists it shall contract with.
32 Reimbursement shall be provided according to the respective principles and policies of
33 the nonprofit medical service corporation; provided, however, that no nonprofit medical
34 service corporation may be required to pay for duplicative services actually rendered by a

certified registered nurse anesthetist and any other health care provider. Nothing contained ~~herein~~ in this section shall preclude the nonprofit medical service corporation from conducting managed care, medical necessity or ~~utilization~~ utilization review.

27-20-35.1. Third party reimbursement for services of registered nurse first assistants. -- (a) Every individual or group health insurance contract, plan or policy delivered, issued or renewed by an insurer or nonprofit or for profit health service corporation ~~on or after January 1, 2000~~, which provides benefits to individual subscribers and members within the state, or to all group members having a principal place of employment within the state, shall provide benefits for services rendered by a registered nurse first assistant, provided, however, that the following conditions are met:

(1) The registered nurse first assistant provides certain health care services under the supervision of a licensed physician; is currently licensed as a registered nurse in Rhode Island; has successfully completed a course in preparing the registered nurse as a first assistant in accordance with the Association of Operating Room Nurses core curriculum guide for the registered nurse first assistant and includes a minimum of one academic year in a college or university with didactic instruction and clinical internship programs; and is certified in perioperative nursing by the Certification Board of Perioperative Nursing (minimum of two years perioperative experience);

(2) The policy or contract currently provides benefits for identical services rendered by a provider of health care licensed by the state; and

(3) The registered nurse first assistant is not a salaried employee of the licensed hospital or facility for which the nonprofit hospital service corporation has an alternative contractual relationship to fund the services of a registered nurse first assistant.

(b) It remains within the sole discretion of the nonprofit medical service corporation as to which registered nurse first assistant in surgery it contracts with. Reimbursement is provided according to the respective principles and policies of the nonprofit medical service corporation: provided, however, that no nonprofit medical service corporation is required to provide direct reimbursement, or pay for duplicative services actually rendered by a registered nurse first assistant and any other health care provider. Nothing contained in this section precludes the nonprofit medical service corporations from conducting managed care, medical necessity or utilization review.

1 **27-20-36. Human leukocyte antigen testing.** -- Every individual or group
2 hospital or medical services plan contract delivered or renewed in this state ~~on or after~~
3 ~~March 19, 1998~~, shall include coverage of the cost for human leukocyte antigen testing,
4 also referred to as histocompatibility locus antigen testing, for A, B, and DR antigens for
5 utilization in bone marrow transplantation. The testing must be performed in a facility
6 which is accredited by the American Association of Blood Banks or its successors, and is
7 licensed under the Clinical Laboratory Improvement Act, 42 U.S.C. § 263a, as it may be
8 from time to time amended. At the time of the testing, the person being tested must
9 complete and sign an informed consent form which also authorizes the results of the test
10 to be used for participation in the National Marrow Donor Program. The group hospital
11 or medical services plan contract may limit each subscriber to one of these testings per
12 lifetime.

13 **27-20-39.1. Genetic information.** -- (a) Except as provided in chapter 37.3 of
14 title 5, insurance administrators, health plans and providers shall be prohibited from
15 releasing genetic information without prior written authorization of the individual.
16 Written authorization shall be required for each disclosure and include to whom the
17 disclosure is being made. An exception shall exist for those participating in research
18 settings governed by the federal policy for the protection of human research subjects
19 (also known as “The Common Rule”). Tests conducted purely for research are excluded
20 from the definition, as are tests for somatic (as opposed to heritable) mutations, and
21 testing for forensic purposes.

22 (b) No individual or group health insurance contract, plan, or policy delivered, issued for
23 delivery, or renewed in this state ~~on or after January 1, 2002~~, which provides medical coverage
24 that includes coverage for physician services in a physician’s office, and every policy which
25 provides major medical or similar comprehensive-type coverage excluding disability income,
26 long term care and insurance supplemental policies which only provide coverage for specified
27 diseases or other supplemental policies, shall:

28 (1) Use genetic information or request for genetic information or the results of genetic
29 information or other genetic information to reject, deny, limit, cancel, refuse to renew, increase
30 the rates of, affect the terms or conditions of, or otherwise affect a group or an individual’s health
31 insurance policy, contract, or plan;

(2) Request or require genetic information for the purpose of determining whether or not to issue or renew a group or individual's health benefits coverage, to set reimbursement/co-pay levels or determine covered benefits and services;

(3) Release the results of genetic information without the prior written authorization of the individual from whom the information was obtained, except in a format ~~whereby~~ by which individual identifiers are removed, encrypted, or encoded so that the identity of the individual is not disclosed. A recipient of information pursuant to this section may use or disclose the information solely to carry out the purpose for which the information was disclosed.

Authorization shall be required for each redisclosure. An exception shall exist for participation in research settings governed by the federal policy for the protection of human research subjects (also known as "The Common Rule");

(4) Request or require information as to whether an individual has genetic information, or participated in genetic information of any kind, whether for clinical or research purposes.

(c) For the purposes of this section, "genetic information" is information about genes, gene product, or inherited characteristics that may derive from the individual or a family member.

27-20-43. F.D.A. approved prescription contraceptive drugs and devices. --

(a) Every individual or group health insurance contract, plan, or policy that provides prescription coverage and is delivered, issued for delivery, or renewed in this state ~~on or~~ after January 1, 2001, shall provide coverage for F.D.A. approved contraceptive drugs and devices requiring a prescription. Provided, however, that nothing in this subsection shall be deemed to mandate or require coverage for the prescription drug RU 486.

(b) Notwithstanding any other provision of this section, any medical service corporation may issue to a religious employer an individual or group health insurance contract, plan, or policy that excludes coverage for prescription contraceptive methods which are contrary to the religious employer's bona fide religious tenets.

(c) As used in this section, "religious employer" means an employer that is a "church or a qualified church-controlled organization" as defined in 26 U.S.C. § 3121.

(d) Every religious employer that invokes the exemption provided under this section shall provide written notice to prospective enrollees prior to enrollment with the plan, listing the contraceptive health care services the employer refuses to cover for religious reasons.

27-20-45. Termination of children's benefits. -- (a) Every individual or group

health insurance contract, plan, or policy delivered, issued for delivery, or renewed in this state ~~on or after January 1, 2001~~, which provides medical coverage that includes coverage

1 for physician services in a physician's office, and every policy which provides major
2 medical or similar comprehensive type coverage, except for supplemental policies which
3 only provide coverage for specified diseases and other supplemental policies, shall
4 include a provision that policyholders shall receive no less than thirty (30) days notice
5 from the nonprofit medical service corporation that a child covered as a dependent by the
6 policyholder is about to lose his or her coverage as a result of reaching the maximum age
7 for a dependent child and that the child will only continue to be covered upon
8 documentation being provided of current college enrollment, or that the child may
9 purchase a conversion policy if he or she is not a college student.

10 (b) Nothing in this section prohibits a nonprofit medical service corporation from
11 requiring a policyholder to annually provide proof of a child's current college enrollment in order
12 to maintain the child's coverage. Provided further, nothing in this section requires coverage
13 inconsistent with the membership criteria in effect under the policyholder's health benefits
14 coverage.

15 SECTION 40. Section 27-20.1-17 of the General Laws in Chapter 27-20.1 entitled
16 "Nonprofit Dental Service Corporations" is hereby amended to read as follows:

17 **27-20.1-17. Termination of children's benefits.** -- (a) Every individual or group
18 health insurance contract, plan, or policy delivered, issued for delivery, or renewed in this
19 state ~~on or after January 1, 2001,~~ which provides medical coverage that includes coverage
20 for physician services in a physician's office, and every policy which provides major
21 medical or similar comprehensive type coverage, except for supplemental policies which
22 only provide coverage for specified diseases and other supplemental policies, shall
23 include a provision that policyholders shall receive no less than thirty (30) days notice
24 from the nonprofit dental service corporation that a child covered as a dependent by the
25 policyholder is about to lose his or her coverage as a result of reaching the maximum age
26 for a dependent child and that the child will only continue to be covered upon
27 documentation being provided of current college enrollment, or that the child may
28 purchase a conversion policy if he or she is not a college student.

29 (b) Nothing in this section prohibits a nonprofit dental service corporation from requiring
30 a policyholder to annually provide proof of a child's current college enrollment in order to
31 maintain the child's coverage. Provided further, nothing in this section requires coverage

inconsistent with the membership criteria in effect under the policyholder's health benefits coverage.

SECTION 41. Sections 27-20.2-9 and 27-20.2-14 of the General Laws in Chapter 27-20.2 entitled "Nonprofit Optometric Service Corporations" are hereby amended to read as follows:

27-20.2-9. Adoption of chapter by hospital service corporation -- Any nonprofit hospital service corporation organized pursuant to the provisions of chapter 19 of this title, which first obtains authorization to do so by the Rhode Island Optometric Association as evidenced by the affidavit of the president and secretary of the ~~society~~ association, may amend its articles of association to adopt the provisions of this chapter, and ~~thereupon~~ upon that adoption the corporation shall have and exercise all of the powers and be subject to all of the duties and responsibilities of a nonprofit optometric service corporation to the same extent as though it had been incorporated as a nonprofit optometric service corporation.

27-20.2-14. Termination of children's benefits. -- (a) Every individual or group health insurance contract, plan, or policy delivered, issued for delivery, or renewed in this state ~~on or after January 1, 2001~~, which provides medical coverage that includes coverage for physician services in a physician's office, and every policy which provides major medical or similar comprehensive type coverage, except for supplemental policies which only provide coverage for specified diseases and other supplemental policies, shall include a provision that policyholders shall receive thirty (30) days notice from the nonprofit optometric service corporation that a child covered as a dependent by the policyholder is about to lose his or her coverage as a result of reaching the maximum age for a dependent child and that the child will only continue to be covered upon documentation being provided of current college enrollment, or that the child may purchase a conversion policy if he or she is not a college student.

(b) Nothing in this section prohibits a nonprofit optometric service corporation from requiring a policyholder to annually provide proof of a child's current college enrollment in order to maintain the child's coverage. Provided further, nothing in this section requires coverage inconsistent with the membership criteria in effect under the policyholder's health benefits coverage.

SECTION 42. Section 27-20.6-6 of the General Laws in Chapter 27-20.6 entitled “Health Care Insurers – Coordination of Benefits” is hereby amended to read as follows:

27-20.6-6. Rules and regulations. -- ~~On or before October 1, 1989,~~ The director of the department of business regulation shall, ~~upon twenty (20) days prior notice published in the Providence Journal, hold a hearing to consider promulgating~~ promulgate rules and regulations, using the NAIC coordination of benefits model regulations as a guideline, which shall address: (1) the necessity and/or reasonableness of administrative penalties by entities subject to this chapter; (2) other procedures which may be necessary to carry out the provisions of this chapter.

SECTION 43. Section 27-20-40 of the General Laws in Chapter 27-20 entitled “Nonprofit Medical Service Corporations” is hereby repealed in its entirety.

~~**27-20-40. Conditions of coverage.** As provided in § 27-20-27, coverage is extended to new cancer therapies still under investigation when the following circumstances are present:~~

~~(a) Treatment is being provided pursuant to a phase II, III or IV clinical trial which has been approved by the National Institutes of Health (NIH) in cooperation with the National Cancer Institute (NCI), community clinical oncology programs; the Food and Drug Administration in the form of an investigational new drug (IND) exemption; the Department of Veterans’ Affairs; or a qualified nongovernmental research entity as identified in the guidelines for NCI cancer center support grants;~~

~~(b) The proposed therapy has been reviewed and approved by a qualified institutional review board (IRB);~~

~~(c) The facility and personnel providing the treatment are capable of doing so by virtue of their experience, training, and volume of patients treated to maintain expertise;~~

~~(d) The patients receiving the investigational treatment meet all protocol requirements;~~

~~(e) There is no clearly superior, noninvestigational alternative to the protocol treatment;~~

~~(f) The available clinical or preclinical data provide a reasonable expectation that the protocol treatment will be at least as efficacious as the noninvestigational alternative; and~~

~~(g) The coverage of new cancer therapy treatment provided pursuant to a phase II clinical trial is not required for only that portion of that treatment as is provided as part of the phase II clinical trial and is otherwise funded by a national agency, such as the National Cancer Institute, the Veteran’s Administration, the Department of Defense, or funded by commercial organizations such as the biotechnical and/or pharmaceutical industry or manufacturers of medical devices. Any~~

1 ~~portions of a phase II trial which are customarily funded by government, biotechnical and/or~~
2 ~~pharmaceutical and/or medical device industry sources in Rhode Island or in other states shall~~
3 ~~continue to be funded in Rhode Island and coverage pursuant to this section supplements, does~~
4 ~~not supplant customary funding.~~

5 SECTION 44. section 27-18-4 of the General Laws in Chapter 27-18 entitled “Accident
6 and Sickness Insurance Policies” is hereby amended to read as follows:

7 **27-18-4. Optional provisions.** -- Except as provided in § 27-18-5, no policy
8 delivered or issued for delivery to any person in this state shall contain provisions
9 respecting the matters set forth **below in this section** unless the provisions are in the
10 words in which they appear in this section; provided, **however,** that the insurer may, at its
11 option, use in lieu of any provision a corresponding provision of different wording
12 approved by the commissioner which is not less favorable in any respect to the insured or
13 the beneficiary. The provision contained in the policy shall be preceded individually by
14 the appropriate caption appearing in this section or, at the option of the insurer, by any
15 appropriate individual or group captions or subcaptions as the commissioner may
16 approve:

17 (1) A provision as follows:

18 “CHANGE OF OCCUPATION: If the insured ~~be~~ is injured or contracts sickness after having
19 changed his or her occupation to one classified by the insurer as more hazardous than that stated
20 in this policy or while doing for compensation anything pertaining to an occupation so classified,
21 the insurer will pay only that portion of the indemnities provided in this policy as the premium
22 paid would have purchased at the rates and within the limits fixed by the insurer for the more
23 hazardous occupation. If the insured changes his or her occupation to one classified by the insurer
24 as less hazardous than that stated in this policy, the insurer, upon receipt of proof of the change of
25 occupation, will reduce the premium rate accordingly, and will return the excess pro rata
26 unearned premium from the date of change of occupation or from the policy anniversary date
27 immediately preceding receipt of the proof, whichever is the more recent. In applying this
28 provision, the classification of occupational risk and the premium rates shall be such as have been
29 last filed by the insurer, prior to the occurrence of the loss for which the insurer is liable or prior
30 to the date of proof of change in occupation, with the state official having supervision of
31 insurance in the state where the insured resided at the time this policy was issued; but, if the filing
32 was not required, then the classification of occupational risk and the premium rates shall be those

1 last made effective by the insurer in the state prior to the occurrence of the loss or prior to the date
2 of proof of change in occupation.”

3 (2) A provision as follows:

4 “MISSTATEMENT OF AGE: If the age of the insured has been misstated, all amounts payable
5 under this policy shall be such as the premium paid would have purchased at the correct age.”

6 (3) A provision as follows:

7 “OTHER INSURANCE IN THIS INSURER: If an accident or sickness or accident and sickness
8 policy or policies previously issued by the insurer to the insured ~~be~~ is in force concurrently
9 ~~herewith~~ with this policy, making the aggregate indemnity for” (insert type of
10 coverage or coverages) “in excess of \$.” (insert maximum limit of indemnity or
11 indemnities) “the excess insurance shall be void and all premiums paid for the excess shall be
12 returned to the insured or to his or her estate,” or, in lieu thereof:

13 “Insurance effective at any one time on the insured under a like policy or policies in this insurer is
14 limited to the one such policy elected by the insured, his or her beneficiary or his or her estate, ~~as~~
15 ~~the case may be~~, and the insurer will return all premiums paid for all other like policies.”

16 (4) A provision as follows:

17 “INSURANCE WITH OTHER INSURERS: If there ~~be~~ is other valid coverage, not with this
18 insurer, providing benefits for the same loss on a provision of service basis or on an expense
19 incurred basis and of which this insurer has not been given written notice prior to the occurrence
20 or commencement of loss, the only liability under any expense incurred coverage of this policy
21 shall be for the proportion of the loss as the amount which would otherwise have been payable
22 hereunder plus the total of the like amounts under all the other valid coverages for the same loss
23 of which this insurer had notice bears to the total like amounts under all valid coverages for the
24 loss, and for the return of the portion of the premiums paid as shall exceed the pro rata portion for
25 the amount so determined. For the purpose of applying this provision when other coverage is on a
26 provision of service basis, the “like amount” of the other coverage shall be taken as the amount
27 which the services rendered would have cost in the absence of the coverage.”

28 (If ~~the foregoing~~ this policy provision is included in a policy which also contains the next
29 following policy provision, there shall be added to the caption of ~~the foregoing~~ this provision the
30 phrase “ — EXPENSE INCURRED BENEFITS.” The insurer may, at its option, include in this
31 provision a definition of “other valid coverage”, approved as to form by the commissioner, which
32 definition shall be limited in subject matter to coverage provided by organizations subject to
33 regulation by insurance law or by insurance authorities of this or any other state of the United
34 States or any province of Canada, and by hospital or medical service organizations, and to any

1 other coverage the inclusion of which may be approved by the commissioner. In the absence of
2 the definition, the term shall not include group insurance, automobile medical payments
3 insurance, or coverage provided by hospital or medical service organizations or by union welfare
4 plans or employer or employee benefit organizations. For the purpose of applying ~~the foregoing~~
5 this policy provision with respect to any insured, any amount of benefit provided for the insured
6 pursuant to any compulsory benefit statute, including any workers' compensation or employer's
7 liability statute, whether provided by a governmental agency or otherwise, shall in all cases be
8 deemed to be "other valid coverage" of which the insurer has had notice. In applying ~~the~~
9 ~~foregoing~~ this policy provision, no third party liability coverage shall be included as "other valid
10 coverage".)

11 (5) A provision as follows:

12 "INSURANCE WITH OTHER INSURERS: If there ~~be~~ is other valid coverage, not with this
13 insurer, providing benefits for the same loss on other than an expense incurred basis and of which
14 this insurer has not been given written notice prior to the occurrence or commencement of loss,
15 the only liability for those benefits under this policy shall be for the proportion of the indemnities
16 ~~otherwise~~ provided hereunder for the loss as the like indemnities of which the insurer had notice
17 (including the indemnities under this policy) bear to the total amount of all like indemnities for
18 the loss, and for the return of the portion of the premium paid as shall exceed the pro rata portion
19 for the indemnities ~~thus~~ determined."

20 (If ~~the foregoing~~ this policy provision is included in a policy which also contains the next
21 preceding policy provision, there shall be added to the caption of ~~the foregoing~~ this provision the
22 phrase " — OTHER BENEFITS." The insurer may, at its option, include in this provision a
23 definition of "other valid coverage", approved as to form by the commissioner, which definition
24 shall be limited in subject matter to coverage provided by organizations subject to regulation by
25 insurance law or by insurance authorities of this or any other state of the United States or any
26 province of Canada, and to any other coverage the inclusion of which may be approved by the
27 commissioner. In the absence of the definition, such term shall not include group insurance, or
28 benefits provided by union welfare plans or by employer or employee benefit organizations. For
29 the purpose of applying ~~the foregoing~~ this policy provision with respect to any insured, any
30 amount of benefit provided for the insured pursuant to any compulsory benefit statute, including
31 any workers' compensation or employer's liability statute, whether provided by a governmental
32 agency or otherwise, shall in all cases be deemed to be "other valid coverage" of which the
33 insurer has had notice. In applying ~~the foregoing~~ this policy provision, no third party liability
34 coverage shall be included as "other valid coverage".)

1 (6) A provision as follows:

2 “RELATION OF EARNINGS TO INSURANCE: If the total monthly amount of loss of time
3 benefits promised for the same loss under all valid loss of time coverage upon the insured,
4 whether payable on a weekly or monthly basis, shall exceed the monthly earnings of the insured
5 at the time disability commenced or his or her average monthly earnings for the period of two (2)
6 years immediately preceding a disability for which claim is made, whichever is the greater, the
7 insurer will be liable only for the proportionate amount of the benefits under this policy as the
8 amount of the monthly earnings or the average monthly earnings of the insured bears to the total
9 amount of monthly benefits for the same loss under all the coverage upon the insured at the time
10 the disability commences, and for the return of the part of the premiums paid during the two (2)
11 years that exceeds the pro rata amount of the premiums for the benefits actually paid under this
12 policy; but this shall not operate to reduce the total monthly amount of benefits payable under all
13 the coverage upon the insured below the sum of two hundred dollars (\$200) or the sum of the
14 monthly benefits specified in the coverages, whichever is the lesser, nor shall it operate to reduce
15 benefits other than those payable for loss of time.”

16 (~~The foregoing~~ This policy provision may be inserted only in a policy which the insured
17 has the right to continue in force subject to its terms by the timely payment of premiums; ~~(A)~~ (i)
18 until at least age fifty (50); or; ~~(B)~~ (ii) in the case of a policy issued after age forty-four (44), for
19 at least five (5) years from its date of issue. The insurer may, at its option, include in this
20 provision a definition of “valid loss of time coverage”, approved as to form by the commissioner,
21 which definition shall be limited in subject matter to coverage provided by governmental
22 agencies or by organizations subject to regulation by insurance law or by insurance authorities of
23 this or any other state of the United States or any province of Canada, or to any other coverage
24 the inclusion of which may be approved by the commissioner or any combination of ~~these~~ this
25 coverages. In the absence of a definition, the term shall not include any coverage provided for the
26 insured pursuant to any compulsory benefit statute, including any workers’ compensation or
27 employer’s liability statute, or benefits provided by union welfare plans or by employer or
28 employee benefit organizations.)

29 (7) A provision as follows:

30 “UNPAID PREMIUM: Upon the payment of a claim under this policy, any premium ~~then~~ due
31 and unpaid or covered by any note or written order may be deducted ~~therefrom~~ from the
32 payment.”

33 (8) A provision as follows:

1 ~~“CANCELLATION~~ CANCELLATION: The insurer may cancel this policy at any time by written
2 notice delivered to the insured, or mailed to his or her last address as shown by the records of the
3 insurer, stating when, not less than ten (10) days ~~thereafter~~ after this, the ~~cancellation~~ cancellation
4 shall be effective; and, after the policy has been continued beyond its original term, the insured
5 may cancel this policy at any time by written notice delivered or mailed to the insurer, effective
6 upon receipt or on a later date as may be specified in the notice. In the event of ~~cancellation~~
7 cancellation, the insurer will return promptly the unearned portion of any premium paid. If the
8 insured cancels, the earned premium shall be computed by the use of the short-rate table last filed
9 with the state official having supervision of insurance in the state where the insured resided when
10 the policy was issued. If the insurer cancels, the earned premium shall be computed pro rata.
11 ~~Cancellation~~ Cancellation shall be without prejudice to any claim originating prior to the effective
12 date of ~~cancellation~~ cancellation.”

13 (9) A provision as follows:

14 “CONFORMITY WITH STATE STATUTE: Any provision of this policy which, on its effective
15 date, is in conflict with the statutes of the state in which the insured resides on that date, is hereby
16 amended to conform to the minimum requirements of those statutes.”

17 (10) A provision as follows:

18 “ILLEGAL OCCUPATION: The insurer shall not be liable for any loss to which a contributing
19 cause was the insured’s commission of or attempt to commit a felony or to which a contributing
20 cause was the insured’s being engaged in an illegal occupation.”

21 (11) A provision as follows:

22 “INTOXICANTS AND NARCOTICS: The insurer shall not be liable for any loss
23 sustained or contracted in consequence of the insured’s being intoxicated or under the
24 influence of any narcotic unless administered on the advice of a physician.”

25 SECTION 45. section 21-2-11 of the General Laws in Chapter 21-2 entitled
26 “Milk Sanitation Code” is hereby amended to read as follows:

27 **21-2-11. Emergency powers.** -- (a) In the event of any serious disaster, such as
28 conflagration, enemy attack, earthquake, flood, hurricane, tornado, drought, or other emergency,
29 which shall result in an unusual nonseasonal shortage in the milk supply in the state of Rhode
30 Island, the director shall have power, upon issuance of an order by him or her specifying the
31 nature and extent of ~~such~~ the emergency and without notice: (1)(a) to suspend part or all of the
32 regulations made under authority of this chapter; (2)(b) to promulgate other or additional
33 emergency regulations; and (3)(c) to suspend part or all of the requirements of this chapter
34 pertaining to inspection and the obtaining of permits by milk plants located outside the state of

1 Rhode Island from which milk is derived for sale in the state of Rhode Island and pertaining to
2 inspection of their milk producers and haulers;

3 (b) ~~and~~ In the case of any ~~such~~ special emergency, the director may issue emergency
4 permits for the importation of milk into the state of Rhode Island which has not been inspected at
5 the source in accordance with this statute and the regulations ~~thereunder~~ pursuant to this chapter;
6 provided, however, that the director shall be satisfied that any ~~such~~ source of milk so admitted by
7 emergency permit shall not constitute a threat to the health of the people of Rhode Island, and
8 provided that environmental conditions surrounding the production, transportation, and
9 processing of the imported milk shall reasonably have been subject to inspection at its source
10 under authority of law other than that of the state of Rhode Island.

11 (c) The suspension and emergency regulations shall be for the duration of the emergency
12 or forty (40) days, whichever period shall be shorter.

13 (d) The director is further empowered in the event of any contamination or threat of
14 contamination of the milk supply; alone to promulgate additional emergency regulations
15 pertaining to the treatment and conditions of production, distribution, and sale of milk, the
16 regulations to go into effect ~~forthwith~~ immediately without a hearing. The emergency regulations
17 shall be in effect forty (40) days or the duration of the emergency, whichever period shall be
18 shorter. The director shall promulgate the emergency regulations by filing a copy ~~thereof~~ of them
19 in the secretary of state's office and having copies available for public inspection. As soon as
20 practicable, the director shall give notice of the promulgation of the emergency regulations.

21 SECTION 46. section 21-9-13 of the General Laws in Chapter 21-9 entitled
22 "Frozen Desserts" is hereby amended to read as follows:

23 **21-9-13. Regulations.** -- (a) The authority to promulgate regulations for the
24 efficient enforcement of this chapter is ~~hereby~~ vested in the director of health, and he or
25 she is ~~hereby~~ authorized to promulgate, among others, regulations, definitions, and
26 standards which are not inconsistent with the provisions of this chapter to govern the
27 manufacture, labeling, transportation, advertising, and sale of frozen desserts and frozen
28 dessert mixes, and the employee health standards and the sanitary conditions of the
29 buildings, grounds, equipment, containers, and vehicles where ~~such~~ those products are
30 handled, manufactured, transported, sold, and/or stored.

31 (b) Whenever ~~such~~ the action will promote honesty and fair dealing in the interest of
32 consumers, the director of health shall promulgate regulations fixing and establishing for frozen
33 desserts and frozen dessert mixes definitions and standards of identity and quality and reasonable

standards of fill of containers. In prescribing a definition and standard of identity for frozen desserts and frozen dessert mixes in which optional ingredients are permitted, the director of health shall, for the purpose of promoting honesty and fair dealing in the interest of consumers, designate the optional ingredients which shall be named on the label.

(c) The definitions and standards promulgated under the provisions of this chapter shall conform as far as practicable to the definitions and standards promulgated under the authority of 21 U.S.C. § 341, ~~which are in effect as of April 19, 1962.~~

(d) Hearings authorized or required by this chapter shall be conducted by the director of health or ~~such~~ any officer, agent, or employee as that the director of health may designate for the purpose.

(e) The adoption of regulations shall be in accordance with chapter 35 of title 42.

SECTION 47. section 21-11-3 of the General Laws in Chapter 21-11 entitled “Meats” is hereby amended to read as follows:

21-11-3. License required for processing and packing houses. -- No person, firm, association, or corporation shall operate within this state any establishment for the purpose of slaughtering any animal for human consumption, or for canning, curing, smoking, salting, packing, rendering, or otherwise handling the carcass of any animal or part ~~thereof~~ of the carcass, or for the manufacturing of any meat product or meat food product, until that person, firm, association, or corporation shall have obtained a license from the ~~state~~ department of health. This section shall not apply to a retail market offering for sale only those primal parts commonly known in the trade as sides, quarters, shoulders, hams, backs, bellies, tongues, livers, or similar parts, or meat, meat products, or meat food products, which have been obtained from the establishment of a person, firm, association, or corporation licensed in accordance with provisions of this section, nor to any retail market ~~as heretofore defined wherein~~ where meat processing consists solely of grinding meat for sale on the premises.

SECTION 48. section 21-16-1 of the General Laws in Chapter 21-16 entitled “Kosher Foods” is hereby amended to read as follows:

21-16-1. Violations or deception as to religious dietary laws by dealers in meats. -- A person, firm, or corporation shall be guilty of a misdemeanor:

(1)(a) Who shall knowingly sell or expose for sale any meat or meat preparation, either raw or prepared for human consumption, and falsely represent ~~the same~~ it to be kosher or as

1 having been prepared under the supervision of a rabbi or as a product or products sanctioned by
2 the traditional or orthodox Hebrew religious requirements and dietary laws; ~~or~~

3 ~~(2)(b)~~ Who shall falsely represent any food product or the contents of any package or
4 container to be so constituted and prepared, by having or permitting to be inscribed thereon the
5 word “kosher” in any language; ~~or~~

6 ~~(3)(c)~~ Who shall sell or expose for sale in the same place of business both kosher and
7 non-kosher meat or meat preparation, either raw or prepared for human consumption, who fails to
8 indicate on the window signs and all display advertising, in block letters at least four inches (4’)
9 in height, “kosher and non-kosher meat sold here”; ~~or~~

10 ~~(4)(d)~~ Who shall expose for sale in any show window or place of business both kosher
11 and non-kosher meat or meat preparation, either raw or prepared for human consumption, who
12 fails to display over each kind of meat or meat preparation so exposed a sign in block letters at
13 least four inches (4’) in height reading “kosher meat” or “non-kosher meat,” as the case may be; ~~or~~

14 ~~or~~
15 ~~(5)(e)~~ Who shall, while dealing or purporting to deal in kosher meat or meat preparations,
16 prepare or handle or sell, or cause to be prepared or handled or sold, any food product which,
17 when so prepared or handled or sold together with kosher meat or meat preparation, constitutes a
18 violation of the traditional or orthodox Hebrew religious requirements and dietary laws, and
19 ~~thereby render such by which renders the~~ kosher meat or meat preparation, ~~so prepared or~~
20 ~~handled or sold in conjunction therewith,~~ non-kosher; ~~or~~

21 ~~(6)(f)~~ Who shall otherwise in the preparation, handling, or sale of kosher meat or meat
22 preparation fail to comply strictly with the religious requirements and dietary laws necessary to
23 constitute the meat or meat preparation genuinely kosher; ~~or~~

24 ~~(7)(g)~~ Who shall, without complying with ~~such~~ Hebrew religious or dietary laws, issue or
25 maintain any sign or advertisement in any language purporting to represent that he or she sells or
26 deals in kosher meat or meat preparations; ~~or~~

27 ~~(8)(h)~~ Who shall display on his or her window, door, or in his or her place of
28 business, words or letters in the Hebrew language, or any sign, emblem, insignia, symbol,
29 or mark in simulation of Hebrew words or letters, the display of which might reasonably
30 be calculated to deceive or lead a person to believe that a representation, express or
31 implied, is being made that the meat or meat preparation exposed for sale is kosher and in
32 conformity with the traditional or orthodox Hebrew religious requirements.

SECTION 49. Sections 21-23-3 and 21-23-4 of the General Laws in Chapter 21-23 entitled “Nonalcoholic Bottled Beverages, Drinks and Juices” are hereby amended to read as follows:

21-23-3. Suspension or revocation of permits. -- Permits granted under this chapter may be suspended or revoked by the department of health for violation of any provision of this chapter or the regulations promulgated pursuant thereto to this chapter or of chapter 27 of this title or chapter 31 of this title.

21-23-4. Adoption of regulations. -- All nonalcoholic beverage, drink, or juice regulations and any amendments ~~thereto, to them~~ adopted pursuant to the Federal Food, Drug and Cosmetic Act, [21 U.S.C. §§ 301-392], ~~which are in effect on May 8, 1979, or which are adopted on or after such date~~ 21 U.S.C. § 301 et seq., are the bottled beverage regulations in this state. The department may, by regulation, provide for modification or deviation from ~~such~~ those regulations, whether or not ~~such~~ the modifications or deviations are in accordance with the regulations adopted pursuant to the Federal Food, Drug, and Cosmetic Act.

The director of health is further authorized to adopt any other regulations for bottled beverages he or she deems necessary in accordance with authority granted under this chapter, § ~~21-23-7~~, chapter 27 of this title and § 23-1-18(5).

SECTION 50. Section 21-5-8 of the general Laws in Chapter 21-5 entitled “Analysis of Milkfat Content in Milk or Milk Products” is hereby repealed in its entirety.

~~**21-5-8. Inspection.** The director shall inspect, or cause to be inspected, at least once each year, each Babcock or other centrifugal machine used within the state of Rhode Island for the purpose of analysis or inspection of milk.~~

SECTION 51. Sections 21-24-2 and 21-24-4 of the General Laws in Chapter 21-24 entitled “Flour and Bread” are hereby amended to read as follows:

21-24-2. Regulations. -- All bakery products, cereal flours, and related products regulations and any amendments ~~thereto~~ to them adopted by the federal government pursuant to the Food, Drug, and Cosmetic Act, CFR 21, Parts 136, entitled “Bakery Products,” and 137, entitled “Cereal Flours and Related Products,” ~~on May 11, 1982, or which are adopted on or after that date,~~ are the regulations in this state. The department may by regulation provide for modification or deviation from the ~~aforsaid~~ regulation where the interest of Rhode Island consumers may warrant, whether or not the modifications or deviations are in accordance with

1 the regulations adopted pursuant to the Federal Food, Drug, and Cosmetic Act, {21 U.S.C. §§ 301
2 ~~to 392 etseq.;~~ provided, the amendments do not interfere with interstate commerce. A federal
3 regulation automatically adopted pursuant to this chapter takes effect in this state on the date it
4 becomes effective as a federal regulation. The director shall publish a notice of the adoption in a
5 newspaper having general circulation throughout the state. A person who may be adversely
6 affected by a regulation may, within thirty (30) days after a federal regulation is automatically
7 adopted, file with the director, in writing, objections and a request for a hearing. The timely filing
8 of substantial objections to a federal regulation automatically adopted stays the effect of the
9 regulation. If no substantial objections are received and no hearing is requested within thirty (30)
10 days after publication of a notice of the adoption of a federal regulation, it shall be effective as of
11 the date it was adopted by the federal government. If timely substantial objections are made to a
12 federal regulation within thirty (30) days after it is automatically adopted, the director, after
13 notice, shall conduct a public hearing in accordance with the provisions of chapter 35 of title 42.
14 The director of health is further authorized to adopt any regulations for bakery products, cereal
15 flours, and related products that he or she deems necessary in accordance with authority granted
16 under this chapter, chapter 31 of this title, chapter 27 of this title, and § 23-1-18(5).

17 **21-24-4. Enforcement of provisions.** -- Enforcement of this chapter shall be in
18 accordance with the provisions of §§ 23-1-20 — 23-1-24.

19 SECTION 52. Section 21-26-1 of the General Laws in Chapter 21-26 entitled “Soda and
20 Cream of Tartar” is hereby amended to read as follows:

21 **21-26-1. Appointment of municipal inspectors.** -- The city council of Providence shall,
22 and the town councils of the several cities and towns may, appoint an inspector of saleratus,
23 bicarbonate of soda, and cream of tartar for the city cities and towns, ~~respectively.~~

24 SECTION 53. section 21-27.1-3 (Effective until January 7, 2003) and 21-27.1-3
25 (Effective January 7, 2003) of the General Laws in Chapter 21-27 entitled “Plastic Recycline and
26 Litter Act” are hereby amended to read as follows:

27 **21-27.1-3. Plastic recycling and litter commission. [Effective until January 7, 2003.]** -
28 - (a) There is ~~hereby~~ created a permanent commission consisting of thirteen (13) members: one
29 of whom shall be the director of the department of environmental management or his or her
30 designee, who shall act as chairperson of the commission; one of whom shall be the director of
31 the solid waste management corporation or his or her designee; one of whom shall be the
32 chairperson of the source reduction task force or his or her designee; one of whom shall be a state
33 senator appointed by the senate majority leader; one of whom shall be a state representative
34 appointed by the speaker; one of whom shall be a representative of the plastic packaging industry,

1 appointed by the governor; one of whom shall be a distributor of plastic/foam food service
2 products, appointed by the lieutenant governor; one of whom shall be a retailer who sells
3 plastic/foam food service products, appointed by the senate majority leader; one of whom shall be
4 a fast food service representative or owner, appointed by the speaker; one of whom shall be a
5 representative of a hospital or hospital organization, appointed by the governor; two (2) of whom
6 shall be representatives of environmental groups involved with litter issues; one of whom shall be
7 appointed by the lieutenant governor and the other appointed by the senate majority leader; one of
8 whom shall be a representative from an educational institution food service, appointed by the
9 speaker.

10 (b) The purpose of the commission shall be to produce a plan ~~which shall be submitted~~
11 ~~to the governor and the general assembly on or before January 1, 1991,~~ which plan will provide
12 for the maximum recycling of plastic and foam food service products. For those products which
13 cannot be recycled, the commission will develop guidelines for the use of photodegradable and
14 biodegradable products wherever feasible. ~~These guidelines would take effect January 1, 1992.~~

15 (c) The commission shall ~~continue thereafter to~~ monitor the plan and guidelines and
16 study and update its findings and recommendations on a continuing basis.

17 **21-27.1-3. Plastic recycling and litter commission. [Effective January 7, 2003.]** -- (a)

18 There is hereby created a permanent commission consisting of thirteen (13) members: one of
19 whom shall be the director of the department of environmental management or his or her
20 designee, who shall act as chairperson of the commission; one of whom shall be the director of
21 the solid waste management corporation or his or her designee; one of whom shall be the
22 chairperson of the source reduction task force or his or her designee; one of whom shall be a state
23 senator appointed by the president of the senate; one of whom shall be a state representative
24 appointed by the speaker; one of whom shall be a representative of the plastic packaging industry,
25 appointed by the governor; one of whom shall be a distributor of plastic/foam food service
26 products, appointed by the lieutenant governor; one of whom shall be a retailer who sells
27 plastic/foam food service products, appointed by the president of the senate; one of whom shall
28 be a fast food service representative or owner, appointed by the speaker; one of whom shall be a
29 representative of a hospital or hospital organization, appointed by the governor; two (2) of whom
30 shall be representatives of environmental groups involved with litter issues; one of whom shall be
31 appointed by the lieutenant governor and the other appointed by the president of the senate; one
32 of whom shall be a representative from an educational institution food service, appointed by the
33 speaker.

1 (b) The purpose of the commission shall be to produce a plan ~~which shall be submitted~~
2 ~~to the governor and the general assembly on or before January 1, 1991,~~ which plan will provide
3 for the maximum recycling of plastic and foam food service products. For those products which
4 cannot be recycled, the commission will develop guidelines for the use of photodegradable and
5 biodegradable products wherever feasible. ~~These guidelines would take effect January 1, 1992.~~

6 (c) The commission shall ~~continue thereafter to~~ monitor the plan and guidelines and
7 study and update its findings and recommendations on a continuing basis.

8 SECTION 54. sections 28-28-2.10, 21-28-3.05, 21-28-3.18, 21-28-4.01, 21-28-4.15, 21-
9 28-4.17.1, 21-28-5.04, 21-28-5.05, 21-28-5.07, 21-28-5.07.2, 21-28-5.07.3, 21-28-5.07.4, and 21-
10 28-5.07.5 of the General Laws in Chapter 21-28 entitled "Uniform Controlled Substances Act"
11 are hereby amended to read as follows:

12 **21-28-2.10. Exemption of dextromethorphan** -- Dextromethorphan shall not be
13 deemed to be included in any schedule ~~by reason of enactment of this chapter~~ unless
14 controlled ~~after the date of such enactment~~ pursuant to the ~~foregoing~~ provisions of this
15 article.

16 **21-28-3.05. Order to show cause.** -- (a) Before denying, suspending, or
17 revoking a registration, or refusing a renewal of a registration, the director of health shall
18 serve upon the applicant or registrant an order to show cause why the registration should
19 not be denied, revoked, or suspended, or why the renewal should not be refused. The
20 order to show cause shall contain a statement of the basis ~~thereof~~ of the order and shall
21 call upon the applicant or registrant to appear before the director of health at a time and
22 place stated in the order but in no event less than thirty (30) days after the date of receipt
23 of the order. Proceedings to deny, suspend, or revoke shall be conducted pursuant to this
24 section in accordance with chapter 35 of title 42, ~~(the Administrative Procedures Act.)~~.
25 The proceedings shall be independent of, and not in lieu of, criminal prosecution or other
26 proceedings under this chapter or any law of the state.

27 (b) The director of health may suspend for a period of ten (10) days any registration
28 simultaneously with the institution of proceedings under this section in cases where he or she
29 finds that there is an imminent danger to the public health or safety. The suspension shall
30 continue in effect until the conclusion of the proceedings, including judicial review ~~thereof~~ of
31 them, shall continue in effect until the conclusion, unless sooner withdrawn by the director of
32 health or dissolved by a court of competent jurisdiction.

1 **21-28-3.18. Prescriptions.** -- (a) An apothecary in good faith may sell and dispense
2 controlled substances in schedule II to any person upon a written prescription, by a practitioner
3 licensed by law to prescribe or administer ~~such~~ those substances, dated and signed by the person
4 prescribing on the day when issued and bearing the full name and address of the patient to whom,
5 or of the owner of the animal for which the substance is dispensed and the full name, address and
6 registration number under the federal law of the person prescribing, if he or she is required by that
7 law to be so registered. If the prescription is for an animal, it shall state the species of the animal
8 for which the substance is prescribed.

9 (b) The apothecary filling the prescription shall sign his or her full name and shall write
10 the date of filling on the face of the prescription.

11 (c) The prescription shall be retained on file by the proprietor of the pharmacy in which
12 it was filled for a period of two (2) years so as to be readily accessible for inspection by any
13 public officer or employee engaged in the enforcement of this chapter.

14 (d)(1) Prescriptions for controlled substances in schedule II shall be filed separately and
15 shall not be refilled. The form of record for prescription slips for controlled substances in
16 schedule II shall consist of two (2) parts, an original and a duplicate which are required to be
17 presented to the pharmacy by the ultimate user or his or her representative.

18 Pharmacies dispensing controlled substances in schedule II are required to deliver to the director
19 of health all duplicate copies of ~~such~~ the prescriptions on or before the fifth day of the month
20 following the date of dispensing. The prescription slip shall be a form provided by the director of
21 health.

22 (2) The director of health may, after appropriate notice and hearing pursuant to § 42-35-3,
23 promulgate rules and regulations for the purpose of adopting a system for electronic data
24 transmission of prescriptions for controlled substances in schedule II and III, and needles and
25 syringes. ~~Such a~~ This system, when operational, shall negate the necessity to utilize the two-part
26 prescription described ~~above~~ in subdivision (1) of this subsection.

27 (e) A prescription for a schedule II narcotic substance to be compounded for the direct
28 administration to a patient by parenteral, intravenous, intramuscular, subcutaneous, or intraspinal
29 infusion, may be transmitted by the practitioner or practitioner's agent to the pharmacy by
30 facsimile. The facsimile will serve as the original prescription.

31 (f) A prescription written for a schedule II substance for a resident of a long term care
32 facility may be transmitted by the practitioner or the practitioner's agent to the dispensing
33 pharmacy by facsimile. The facsimile serves as the original prescription.

1 (g) A prescription for a schedule II narcotic substance for a patient residing in a hospice
2 certified by Medicare under title ~~XVII~~ XVIII of the Social Security Act, 42 U.S.C. § 1395 et seq.,
3 or licensed by the state, may be transmitted by the practitioner or practitioner's agent to the
4 dispensing pharmacy by facsimile. The practitioner or the practitioner's agent will note on the
5 prescription that the patient is a hospice patient. The facsimile serves as the original written
6 prescription.

7 (h) An apothecary, in lieu of a written prescription, may sell and dispense controlled
8 substances in schedules III, IV, and V to any person, upon an oral prescription of a practitioner.
9 In issuing an oral prescription the prescriber shall furnish the apothecary with the same
10 information as is required by subsection (a) of this section in the case of a written prescription for
11 controlled substances in schedule II, except for the written signature of the person prescribing,
12 and the apothecary who fills the prescription, shall immediately reduce the oral prescription to
13 writing and shall inscribe the information on the written record of the prescription made. This
14 record shall be filed and preserved by the proprietor of the pharmacy in which it is filled in
15 accordance with the provisions of subsection (c) of this section. In no case may a prescription for
16 a controlled substance listed in schedules III, IV, or V be filled or refilled more than six (6)
17 months after the date on which the prescription was issued and no prescription shall be authorized
18 to be refilled more than five (5) times. Each refilling shall be entered on the face or back of the
19 prescription and note the date and amount of controlled substance dispensed, and the initials or
20 identity of the dispensing apothecary.

21 (i) In the case of an emergency situation as defined in federal law, an apothecary may
22 dispense a controlled substance listed in schedule II upon receiving an oral authorization of a
23 prescribing practitioner provided that:

24 (1) The quantity prescribed and dispensed is limited to the amount adequate to treat the
25 patient during the emergency period and dispensing beyond the emergency period must be
26 pursuant to a written prescription signed by the prescribing practitioner.

27 (2) The prescription shall be immediately reduced to writing and shall contain all the
28 information required in subsection (a) of this section.

29 (3) The prescription must be dispensed in good faith in the normal course of professional
30 practice.

31 (4) Within seven (7) days after authorizing an emergency oral prescription, the
32 prescribing practitioner shall cause a written prescription for the emergency quantity prescribed to
33 be delivered to the dispensing apothecary. The prescription shall have written on its face
34 "Authorization for emergency dispensing" and the date of the oral order. The written prescription

upon receipt by the apothecary shall be attached to the oral emergency prescription which had earlier been reduced to writing.

(j) (1) The partial filling of a prescription for a controlled substance listed in schedule II is permissible, if the apothecary is unable to supply the full quantity called for in a written prescription or emergency oral prescription and he or she makes a notation of the quantity supplied on the face of the written prescription or oral emergency prescription which has been reduced to writing. The remaining portion of the prescription may be filled within seventy-two (72) hours of the first partial filling, however, if the remaining portion is not, or cannot be filled within seventy-two (72) hours, the apothecary shall notify the prescribing practitioner. No further quantity may be supplied beyond seventy-two (72) hours without a new prescription.

(2)(i) A prescription for a schedule II controlled substance written for a patient in a long term care facility (LTCF), or for a patient with a medical diagnosis documenting a terminal illness, may be filled in partial quantities to include individual dosage units. If there is a question whether a patient may be classified as having a terminal illness, the pharmacist must contact the practitioner prior to partially filling the prescription. Both the pharmacist and the prescribing practitioner have a corresponding responsibility to assure that the controlled substance is for a terminally ill patient.

~~(ii)(A)~~ The pharmacist must record on the prescription whether the patient is “terminally ill” or an “LTCF patient.” A prescription that is partially filled, and does not contain the notation “terminally ill” or “LTCF patient”, shall be deemed to have been filled in violation of ~~the act~~ this chapter.

~~(iii)(B)~~ For each partial filling, the dispensing pharmacist shall record on the back of the prescription (or on another appropriate record, uniformly maintained, and readily retrievable), the:

~~(A)(1)~~ Date of the partial filling;

~~(B)(2)~~ Quantity dispensed;

~~(C)(3)~~ Remaining quantity authorized to be dispensed; and

~~(D)(4)~~ Identification of the dispensing pharmacist.

~~(iv)(C)~~ The total quantity of schedule II controlled substances dispensed in all partial fillings; must not exceed the total quantity prescribed.

~~(v)(D)~~ Schedule II prescriptions for patients in a LTCF, or patients with a medical diagnosis documenting a terminal illness, are valid for a period not to exceed sixty (60) days from the issue date, unless sooner terminated by the discontinuance of medication.

(k) *Automated data processing systems.* As an alternative to the prescription record keeping provision of subsection (h) of this section, an automated data processing system may be employed for the record keeping system, if the following conditions have been met:

(1) The system shall have the capability of producing sight-readable documents of all original and refilled prescription information. The term “sight-readable” means that an authorized agent shall be able to examine the record and read the information. During the course of an on-site inspection, the record may be read from the CRT, microfiche, microfilm, printout, or other method acceptable to the director. In the case of administrative proceedings, records must be provided in a paper printout form.

(2) ~~Such~~ The information shall include, but not be limited to, the prescription requirements and records of dispensing as indicated in subsection (h) of this section.

(3) The individual pharmacist responsible for completeness and accuracy of the entries to the system must provide documentation of the fact that prescription information entered into the computer is correct. In documenting this information, the pharmacy shall have the option to either:

~~(i)(A)~~ Maintain a bound log book, or separate file, in which each individual pharmacist involved in the dispensing shall sign a statement each day, attesting to the fact that the prescription information entered into the computer that day has been reviewed and is correct as shown. The book or file must be maintained at the pharmacy employing ~~such a~~ that system for a period of at least two (2) years after the date of last dispensing; or

~~(ii)(B)~~ Provide a printout of each day’s prescription information. That printout shall be verified, dated, and signed by the individual pharmacist verifying that the information indicated is correct. The printout must be maintained at least two (2) years from the date of last dispensing.

(4) An auxiliary record keeping system shall be established for the documentation of refills, if the automated data processing system is inoperative for any reason. The auxiliary system shall ensure that all refills are authorized by the original prescription, and that the maximum number of refills is not exceeded. When this automated data processing system is restored to operation, the information regarding prescriptions filled and refilled during the inoperative period, shall be entered into the automated data processing system within ninety-six (96) hours.

(5) Any pharmacy using an automated data processing system must comply with all applicable state and federal laws and regulations.

(6) A pharmacy shall make arrangements with the supplier of data processing services or materials to ensure that the pharmacy continues to have adequate and complete prescription and

dispensing records if the relationship with ~~such~~ the supplier terminates for any reason. A pharmacy shall ensure continuity in the maintenance of records.

(7) The automated data processing system shall contain adequate safeguards for security of the records, to maintain the confidentiality and accuracy of the prescription information. Safeguards against unauthorized changes in data after the information has been entered and verified by the registered pharmacist shall be provided by the system.

(l) Prescriptions for controlled substances as found in schedules II, III and IV of § 21-28-2.08 will become void unless dispensed within thirty (30) days of the original date of the prescription. The prescriptions in schedules III, IV, and V cannot be written for more than one hundred (100) dosage units and not more than one hundred (100) dosage units may be dispensed at one time. For purposes of this section, a dosage unit shall be defined as a single capsule, tablet or suppository, or not more than one ~~(4)~~ teaspoon of an oral liquid.

(m) Prescriptions for controlled substances as found in schedule II may be written for up to a 30-day supply, with a maximum of two hundred and fifty (250) dosage units, as determined by the prescriber's directions for use of the medication. In no event shall more than a 30-days' supply, up to a maximum of two hundred and fifty (250) dosage units, be dispensed at one time.

21-28-4.01. Prohibited acts A — Penalties. -- (a)(1) Except as authorized by this chapter, it shall be unlawful for any person to manufacture, deliver, or possess with intent to manufacture or deliver a controlled substance.

~~(2)(4)~~ Any person who is not a drug dependent person, as defined in § ~~21-28-1.02(15)~~ 21-28-1.02(18), who violates this subsection with respect to a controlled substance classified in schedule I or II, except the substance classified as marijuana, is guilty of a crime and upon conviction may be imprisoned to a term up to life, or fined not more than five hundred thousand dollars (\$500,000) nor less than ten thousand dollars (\$10,000), or both.

~~(3) Provided, however, that~~ Where the deliverance as prohibited ~~herein~~ in this subsection shall be the proximate cause of death to the person to whom the controlled substance is delivered, it shall not be a defense that the person delivering the substance was at the time of delivery, a drug dependent person as defined in § ~~21-28-1.02(15)~~ 21-28-1.02(18).

~~(4)(2)~~ Any person, except as provided for in ~~subsection (A)(1)~~ subdivision (2) of this subsection, who violates this subsection with respect to:

~~(i)(a)~~ A controlled substance classified in schedule I or II, is guilty of a crime and upon conviction may be imprisoned for not more than thirty (30) years, or fined not more than one hundred thousand dollars (\$100,000) nor less than three thousand dollars (\$3,000), or both;

1 ~~(ii)(b)~~ A controlled substance classified in schedule III or IV, is guilty of a crime and
2 upon conviction may be imprisoned for not more than twenty (20) years, or fined not more than
3 forty thousand dollars (\$40,000), or both; provided, however, with respect to a controlled
4 substance classified in schedule III(d), upon conviction may be imprisoned for not more than five
5 (5) years, or fined not more than twenty thousand dollars (\$20,000), or both.

6 ~~(iii)(e)~~ A controlled substance classified in schedule V, is guilty of a crime and upon
7 conviction may be imprisoned for not more than one year, or fined not more than ten thousand
8 dollars (\$10,000), or both.

9 (b)(1) Except as authorized by this chapter, it is unlawful for any person to create,
10 deliver, or possess with intent to deliver, a counterfeit substance.

11 ~~(2)(4)~~ Any person who violates this subsection with respect to:

12 ~~(i)(a)~~ A counterfeit substance classified in schedule I or II, is guilty of a crime and upon
13 conviction may be imprisoned for not more than thirty (30) years, or fined not more than one
14 hundred thousand dollars (\$100,000), or both;

15 ~~(ii)(b)~~ A counterfeit substance classified in schedule III or IV, is guilty of a crime and
16 upon conviction may be imprisoned for not more than twenty (20) years, or fined not more than
17 forty thousand dollars (\$40,000), or both; provided, however, with respect to a controlled
18 substance classified in schedule III(d), upon conviction may be imprisoned for not more than five
19 (5) years, or fined not more than twenty thousand dollars (\$20,000) or both.

20 ~~(iii)(e)~~ A counterfeit substance classified in schedule V, is guilty of a crime and upon
21 conviction may be imprisoned for not more than one year, or fined not more than ten thousand
22 dollars (\$10,000), or both.

23 (c)(1) It shall be unlawful for any person knowingly or intentionally to possess a
24 controlled substance, unless the substance was obtained directly from or pursuant to, a valid
25 prescription or order of a practitioner while acting in the course of his or her professional
26 practice, or except as otherwise authorized by this chapter.

27 ~~(2)(4)~~ Any person who violates this subsection with respect to:

28 ~~(i)(a)~~ A controlled substance classified in schedules I, II and III, IV, and V, except the
29 substance classified as marijuana, is guilty of a crime and upon conviction may be imprisoned for
30 not more than three (3) years or fined not less than five hundred dollars (\$500) nor more than five
31 thousand dollars (\$5,000), or both;

32 ~~(ii)(b)~~ A controlled substance classified in schedule I as marijuana is guilty of a
33 misdemeanor and upon conviction may be imprisoned for not more than one year or fined not less
34 than two hundred dollars (\$200) nor more than five hundred dollars (\$500), or both,;

1 ~~(3)(2)~~ Additionally every person convicted or who pleads nolo contendere under
2 ~~subsection (C)(1)(a)~~ paragraph (2)(i) of this subsection or convicted or who pleads nolo
3 contendere a second or subsequent time under ~~subsection (C)(1)(b) above~~ paragraph (2)(ii) of this
4 subsection, who is not sentenced to a term of imprisonment to serve for the offense, shall be
5 required to:

6 ~~(i)(a)~~ Perform no less than one hundred (100) hours of community service;

7 ~~(ii)(b)~~ Be referred to Treatment Alternatives to Street Crime (TASC) to determine the
8 existence of problems of drug abuse. Should TASC determine the person needs treatment, it will
9 arrange for ~~said~~ the treatment to be provided and after completion of ~~said~~ the treatment, the
10 person shall perform his or her required community service and attend the drug education
11 program;

12 ~~(iii)(c)~~ Attend and complete a drug counseling and education program as prescribed by
13 the director of the department of health and pay the sum of four hundred dollars (\$400) to help
14 defray the costs of this program which shall be deposited as general revenues. Failure to attend
15 may result after hearing by the court in jail sentence up to one year;

16 ~~(iv)(d)~~ The court shall not suspend any part or all of the imposition of the fee required by
17 this subsection, unless the court finds an inability to pay;

18 ~~(v)(e)~~ If the offense involves the use of any automobile to transport the substance or the
19 substance is found within an automobile, then a person convicted or who pleads nolo contendere
20 under ~~those subsections~~ paragraphs (2)(i) and (ii) of this subsection shall be subject to a loss of
21 license for a period of six (6) months for a first offense and one year for each offense thereafter.

22 ~~(4)(3)~~ All fees assessed and collected pursuant to ~~subsection (C)(2)(e)~~ paragraph (3)(iii)
23 of this subsection shall be deposited as general revenues and shall be collected from the person
24 convicted or who pleads nolo contendere before any other fines authorized by this chapter.

25 (d) It shall be unlawful for any person to manufacture, distribute, or possess with intent
26 to manufacture or distribute, an imitation controlled substance. Any person who violates this
27 subsection is guilty of a crime, and upon conviction shall be subject to the same term of
28 imprisonment and/or fine as provided by this chapter for the manufacture or distribution of the
29 controlled substance which the particular imitation controlled substance forming the basis of the
30 prosecution was designed to resemble and/or represented to be; but in no case shall the
31 imprisonment be for more than five (5) years nor the fine for more than twenty thousand dollars
32 (\$20,000).

33 (e) It shall be unlawful for a practitioner to prescribe, order, distribute, supply, or sell an
34 anabolic steroid or human growth hormone for: ~~(1)(f)~~ (1)(i) enhancing performance in an exercise,

1 sport, or game, or ~~(2)(ii)~~ hormonal manipulation intended to increase muscle mass, strength, or
2 weight without a medical necessity. Any person who violates this subsection is guilty of a
3 misdemeanor and upon conviction may be imprisoned for not more than six (6) months or a fine
4 of not more than one thousand dollars (\$1,000), or both.

5 **21-28-4.15. Employment of person under age eighteen (18).** -- ~~(a)(1)~~ It shall be
6 unlawful for any person eighteen (18) years of age or older to hire, employ or otherwise use any
7 person under eighteen (18) years of age who is at least three (3) years his or her junior to
8 manufacture, transport, carry, sell, prepare for sale or offer for sale a controlled substance;
9 provided, however, that the provisions of this subsection shall not apply to individuals enrolled in
10 a pharmacy training program approved by the director.

11 ~~(b)(2)~~ Any person who violates this section with respect to:

12 ~~(1)(a)~~ A controlled substance classified in schedules I and II, except the substance
13 classified as marijuana, is guilty of a crime and upon conviction shall be imprisoned for not less
14 than fifteen (15) years and may be imprisoned for a term up to life and fined not more than five
15 hundred thousand dollars (\$500,000). In all such cases, the justice imposing sentence shall
16 impose a minimum sentence of fifteen (15) years imprisonment and may only impose a sentence
17 less than that minimum if he or she finds that substantial and compelling circumstances exist
18 which justify imposition of the alternative sentence. The finding may be based upon the character
19 and background of the defendant, the ~~corporation~~ cooperation of the defendant with law
20 enforcement authorities, the nature and circumstances of the offense, and/or the nature and
21 quality of the evidence presented at trial. If a sentence which is less than imprisonment for a term
22 of fifteen (15) years is imposed, the trial justice shall set forth on the record the circumstances
23 which he or she found as justification for imposition of the lesser sentence:-

24 ~~(2)(b)~~ A controlled substance classified in schedule III or IV, is guilty of a crime and
25 upon conviction may be imprisoned for not more than twenty (20) years or fined not more than
26 forty thousand dollars (\$40,000) or both;

27 ~~(3)(c)~~ A controlled substance classified in schedule V or marijuana, is guilty of a crime
28 and upon conviction may be imprisoned for not more than one year or fined not more than ten
29 thousand dollars (\$10,000) or both.

30 **21-28-4.17.1. Assessment for drug education, counseling and treatment.** -- Any
31 person convicted of any offense under ~~Article IV of the Uniform Controlled Substances Act~~ this
32 article, other than the possession offenses described in § 21-28-4.01(c), shall, in addition to any
33 other sentence and/or fine imposed, be assessed four hundred dollars (\$400) by the court and the
34 assessment shall be collected from the person convicted before any other fines authorized by this

chapter. The court shall not suspend any part or all of the imposition of the assessment required by this subsection, unless the court finds an inability to pay. The assessment shall be deposited in the “drug education, assessment and treatment account” to be used by the department of mental health, retardation and hospitals (MHRH) and the department of health for the ~~purposes provided for in § 21-28-4.01(C)(3)~~ purpose of administration, drug education, and treatment.

21-28-5.04. Forfeiture of property and money. -- (a) Any property, real or personal, including, but not limited to, vessels, vehicles, or aircraft, and money or negotiable instruments, securities, or other things of value or any property constituting, or derived from any proceeds, furnished or intended to be furnished by any person for the transportation of or in exchange for a controlled substance and which has been or is being used in violation of § 21-28-4.01(a) or (b) or in, upon or by means of which any violation of § 21-28-4.01(a) or (b) or § 21-28-4.01.1 or § 21-28-4.01.2 has taken or is taking place, and all real property including any right, title, and interest in the whole of any lot or tract of land and any appurtenances or improvements, which is used in the commission of a violation of § 21-28-4.01(a) or (b) or § 21-28-4.01.1 or § 21-28-4.01.2, or which was purchased with funds obtained as a result of the commission of a violation of § 21-28-4.01(a) or (b) or § 21-28-4.01.1 or § 21-28-4.01.2, shall be seized and forfeited; provided that no property or money, as enumerated above, used by any person shall be forfeited under the provisions of this chapter unless it shall appear that the owner of the property or money had knowledge, actual or constructive, and was a consenting party to the alleged illegal act. All moneys, coin and currency, found in close proximity to forfeitable controlled substances, to forfeitable drug manufacturing or distributing paraphernalia, or to forfeitable records of the importation, manufacture, or distribution of controlled substances, are presumed to be unlawfully furnished in exchange for a controlled substance or otherwise used in violation of this chapter. The burden of proof is upon claimants of the property to rebut this presumption.

(b) Property taken or detained under this section shall not be repleviable, but shall be deemed to be in the custody of the law enforcement agency making the seizure and whenever property or money is forfeited under this chapter it shall be utilized as follows:

(1) Where the seized property is a vessel, vehicle, aircraft, or other personal property it may be retained and used by the law enforcement agency that seized the property where the use of the property is reasonably related to the law enforcement duties of the seizing agency. If the

1 seized property is a motor vehicle which is inappropriate for use by law enforcement agency due
2 to style, size, or color, the seizing agency shall be allowed to apply the proceeds of sale or the
3 trade in value of the vehicle towards the purchase of an appropriate vehicle for use for activities
4 reasonably related to law enforcement duties.

5 (2) The law enforcement agency may sell any forfeited property which is not required by
6 this chapter to be destroyed and which is not harmful to the public. The proceeds from the sale
7 are to be distributed in accordance with subdivision (3) of this subsection.

8 (3) As to the proceeds from the sale of seized property as referred to ~~above in subsection~~
9 ~~(b)(2)~~ subdivision (2) of this subsection and as to moneys, coin and currency, negotiable
10 instruments, securities, or other things of value as referred to in subsection (a) of this section, the
11 distribution shall be as follows:

12 (i)(A)~~(A)~~ ~~(i)~~ All proceeds of the forfeiture of real or personal property shall be distributed
13 as follows: All costs of advertising administrative forfeitures shall first be deducted from the
14 amount forfeited. Of the remainder, twenty percent (20%) of the proceeds shall be provided to the
15 attorney general's department to be used for further drug-related law enforcement activities
16 including, but not limited to, investigations, prosecutions and the administration of this chapter;
17 seventy percent (70%) of the proceeds shall be divided among the state and local law
18 enforcement agencies proportionately based upon their contribution to the investigation of the
19 criminal activity related to the asset being forfeited; and ten percent (10%) of the proceeds shall
20 be provided to the department of health for distribution to substance abuse treatment programs.

21 (B)~~(ii)~~ The law enforcement agencies involved in the investigation with the assistance of
22 the attorney general shall by agreement determine the respective proportionate share to be
23 received by each ~~such~~ agency. If the agencies are unable to reach agreement, application shall be
24 made by one or more of the agencies involved to the presiding justice of the superior court, who
25 shall determine the respective proportionate share attributable to each law enforcement agency.
26 The proceeds from all forfeitures shall be held by the general treasurer in a separate account until
27 such time as an allocation is determined by agreement of the agencies or by the presiding justice.
28 It shall be the duty and responsibility of the general treasurer to disburse the allocated funds from
29 the separate account to the respective law enforcement agencies.

30 (ii)~~(B)~~ Each state or local law enforcement agency shall be entitled to keep the forfeited
31 money or the proceeds from sales of forfeited property. The funds shall be used for law
32 enforcement purposes and investigations of violations of this chapter. The funds received by a
33 state law enforcement agency shall be maintained in a separate account by the general treasurer.

1 The funds received by a local law enforcement agency shall be maintained in a separate account
2 by the local agency's city or town treasurer.

3 (c)(1) There is ~~hereby~~ established in the state's treasury a special fund to be known as
4 the asset forfeiture fund in which shall be deposited the excess proceeds of forfeitures arising out
5 of criminal acts occurring before July 1, 1987. The asset forfeiture fund shall be used to fund
6 drug-related law enforcement activity and the treatment and rehabilitation of victims of drug
7 abuse. The fund shall be administered through the office of the general treasurer. The presiding
8 justice of the superior court shall have the authority to determine the feasibility and amount of
9 disbursement to those state or local law enforcement agencies which have made application.

10 (2) Upon the application of any law enforcement agency of the state of Rhode Island
11 when a special need exists concerning the enforcement of the provisions of this chapter, the
12 attorney general or his or her designee may apply to the presiding justice of the superior court for
13 the release from the general treasury sums of money. When the presiding justice upon
14 consideration of the reasons set forth by that agency deems them to be reasonable and necessary
15 to the accomplishment of a goal within the powers and duties of that law enforcement agency, he
16 or she may issue an order ex parte providing for the release of the funds.

17 (d) Each law enforcement agency making any seizure(s) which result(s) in a forfeiture
18 pursuant to this section shall certify and file with the state treasurer between January 1 and
19 January 30 an annual report detailing the property or money forfeited during the previous
20 calendar year and the use or disposition of the property or money. The report shall be made in
21 ~~such the~~ form and manner as may be provided or specified by the treasurer and the
22 ~~mentioned~~ annual law enforcement agency reports shall be provided to the local
23 governmental body governing the agency and to the house and senate judiciary committees.

24 (e) Any law enforcement agency whose duty it is to enforce the laws of this state relating
25 to controlled substances is empowered to authorize designated officers or agents to carry out the
26 seizure provisions of this chapter. It shall be the duty of any officer or agent so authorized or
27 designated or authorized by law, whenever he or she shall discover any property or monies which
28 have been or are being used in violation of any of the provisions of this chapter, or in, upon or by
29 means of which any violation of this chapter has taken or is taking place, to seize ~~such the~~
30 property or monies and to place it in the custody of ~~such the~~ person as may be authorized or
31 designated for that purpose by the respective law enforcement agency pursuant to those
32 provisions.

1 **21-28-5.05. Forfeiture of controlled substances, related materials and other**
2 **property, equipment and records**. -- (a) The following shall be subject to forfeiture to the state
3 and no property right shall exist in them:

4 (1) All controlled substances which have been manufactured, distributed, dispensed, or
5 acquired in violation of this chapter.

6 (2) All raw materials, products, and equipment of any kind which are used, or intended
7 for use, in manufacturing, compounding, processing, delivering, importing, or exporting any
8 controlled substance in violation of this chapter.

9 (3) All property which is used, or intended for use, as a container for property described
10 in ~~subsection (a)(1) or (2)~~ subdivision (1) or (2) of this subsection, subject to the limitations of §
11 21-28-5.04.

12 (4) All books, records and research, including formulas, microfilm, tapes, and data which
13 are used, or intended for use, in violation of this chapter.

14 (5) All imitation controlled substances which have been manufactured, distributed, or acquired in
15 violation of this chapter.

16 (b) Property taken or detained under this section shall not be repleviable, but shall be
17 deemed to be in the custody of the law enforcement agency making the seizure. Whenever
18 property is forfeited under this chapter the law enforcement agency may:

19 (1) Retain the property for official use;

20 (2) Sell any forfeited property which is not required by this chapter to be destroyed and
21 which is not harmful to the public, but the proceeds of the sale, after first deducting an amount
22 sufficient for all proper expenses of the proceedings for forfeiture and sale, including expenses of
23 seizure, maintenance of custody, advertising, and court costs, shall be paid to the general treasurer
24 for the use ~~thereof~~ of the state.

25 **21-28-5.07. Disposition of controlled substances**. -- (a) Any person lawfully in
26 possession of excess or undesired controlled substances shall dispose of ~~such~~ the
27 controlled substances in a manner established in regulation by the director which shall
28 include, but not be limited to, requirements that ~~such~~ the person shall keep a full and
29 complete record of all controlled substances received and of all controlled substances
30 disposed of, showing: (1) the exact kinds, quantities, and forms of the controlled
31 substances; (2) the persons from whom received and to whom delivered; (3) by whose
32 authority received, delivered, and destroyed; and (4) the date of the receipt, disposal or
33 destruction, which record shall be open to inspection by all federal or state officers,

1 including the director of health and the director's delegated personnel, charged with the
2 enforcement of federal law or of this chapter.

3 (b) ~~[Deleted by P.L. 1997, ch. 30, art. 28, § 5.]~~ Controlled substances and imitation
4 controlled substances seized by or in the possession of the Rhode Island state police shall be
5 distributed or destroyed as ~~hereinafter~~ provided by regulation. The superintendent of state police
6 shall keep a full and complete record of all controlled substances received and of all controlled
7 substances disposed of, showing: (1) the exact kinds, quantities, and forms of the controlled
8 substances; (2) the persons from whom received and to whom delivered; (3) by whose authority
9 received, delivered, and destroyed; and (4) the dates of the receipt, disposal, or destruction, which
10 record shall be open to inspection by all federal or state officers charged with the enforcement of
11 federal law or of this chapter.

12 (c) Controlled substances and imitation controlled substances seized by or in the
13 possession of any municipal or state law enforcement agency other than the Rhode Island state
14 police shall be distributed or destroyed as ~~hereinafter~~ provided by regulation. The chief law
15 enforcement official of each ~~such~~ agency shall keep a full and complete record of all controlled
16 substances received and of all controlled substances disposed of, showing: (1) the exact kinds,
17 quantities, and forms of the controlled substances; (2) the persons from whom received and to
18 whom delivered; (3) by whose authority received, delivered, and destroyed; and (4) the dates of
19 the receipt, disposal, or destruction, which record shall be open to inspection by all federal or
20 state officers charged with the enforcement of federal law or of this chapter.

21 (d) The director of health or his or her designee is authorized: (1) to enter any premises
22 where controlled substances are brought for disposal pursuant to this section; (2) to inspect any
23 and all aspects of the disposal process and related records; and (3) to obtain and test samples of
24 any and all controlled substances being processed for disposal for the purpose of determining
25 compliance with state and federal law.

26 **21-28-5.07.2. Issuance of orders**. -- Upon ~~such~~ an application as provided in § 21-28-
27 5.07.1 the presiding justice of the superior court, or the senior associate justice of the superior
28 court when the presiding justice shall disqualify himself or herself from entering ~~such~~ the order,
29 may enter an ex parte order, authorizing the use of controlled substances seized as contraband if
30 the justice determines on the basis of the evidence submitted that:

31 (1) There is probable cause to believe that a particular, identified individual is
32 committing, has committed or is about to commit a particular designated offense;

33 (2) It has been demonstrated that the use of ~~such~~ the controlled substances will assist law
34 enforcement officials in the investigation of felony violations of ~~the uniform controlled~~

1 ~~substances act~~ this chapter or felony violations of other criminal laws of this state and that
2 normal investigative procedures have been tried and have failed or reasonably appear to be
3 unlikely to succeed if tried or to be too dangerous.

4 **21-28-5.07.3. Disclosure.** -- Notwithstanding the decision of the justice, any materials
5 submitted or testimony offered pursuant to § 21-28-5.07.1 shall be kept under seal and not
6 available for inspection, except after hearing by the issuing justice who shall determine, prior to
7 their release, that the sealing of the records is no longer necessary for the protection of the
8 integrity of the investigation or the protection of any sources of information which contributed to
9 the investigation will not be compromised ~~thereby~~ by the release.

10 **21-28-5.07.4. Control of controlled substance.** -- (a) Any controlled substance which
11 has been authorized to be used by the state police, local police or investigator appointed pursuant
12 to § 42-9-8.1 designated by the attorney general in investigations of controlled substance
13 violations, shall be kept under the physical control of the requesting law enforcement agency until
14 the ~~said~~ controlled substance is to be used in an investigation.

15 (b) When used in an investigation, at no time shall any substantial amount of the
16 controlled substance be physically delivered to a person unless the police intend to and are able to
17 immediately arrest ~~said~~ the person to whom the controlled substance was delivered for
18 commission of a felony criminal offense.

19 (c) Upon final disposition of all matters regarding the use of any controlled substances in
20 accordance with ~~this section~~ § 21-28-5.07.1, ~~such~~ the controlled substance shall be destroyed in
21 accordance with the provisions of § 21-28-5.07.

22 **21-28-5.07.5. Rules and regulations.** -- The ~~department of~~ attorney general shall
23 promulgate rules and regulations in furtherance of the administration of ~~their~~ his or her
24 responsibilities pursuant to this chapter and concerning the custody and control of all controlled
25 substances utilized pursuant to ~~this section~~ § 21-28-5.07.1 and no application for use of controlled
26 substances shall be applied for until the rules and regulations have been formally approved by the
27 attorney general.

28 SECTION 55. Sections 21-28-6.01 and 21-28.6-02 of the General Laws in Chapter 21-28
29 entitled "Uniform Controlled Substances Act" are hereby repealed in their entirety.

30 ~~**21-28-6.01. Pending proceedings.**~~ (a) Prosecutions for any violations of law occurring
31 prior to July 1, 1974, shall not be affected by these repealers or amendments, or abated by reason
32 ~~thereof of them.~~

1 ~~(b) Civil seizures or forfeitures and injunctive proceedings commenced prior to July 1,~~
2 ~~1974, shall not be affected by these repealers or amendments, or abated by reason thereof of~~
3 ~~them.~~

4 ~~(c) All administrative proceedings pending before the department on July 1, 1974, shall~~
5 ~~be continued and brought to final determination in accord with laws and regulations in effect~~
6 ~~prior to July 1, 1974. Drugs placed under control prior to July 1, 1974, which are not listed within~~
7 ~~schedules I through V inclusive, shall automatically be controlled and listed in the appropriate~~
8 ~~schedule.~~

9 ~~(d) The provisions of this chapter shall be applicable to violations of law, seizures and~~
10 ~~forfeiture, injunctive proceedings, administrative proceedings, and investigations which occur~~
11 ~~following July 1, 1974.~~

12 ~~**21-28-6.02. Continuation of regulations.** Any orders, rules and regulations which~~
13 ~~have been promulgated under any law affected by this chapter and which are in effect on June 30,~~
14 ~~1974 shall continue in effect until notified, superseded, or repealed by the director.~~

15 ~~21-28-5.04.2. Civil forfeiture procedure.~~

16
17 SECTION 56. Section 21-28-5.04.2 of the General Laws in Chapter 21-28
18 entitled "Uniform Controlled Substances Act" is hereby amended to read as follows:

19 ~~**21-28-5.04.2 Civil forfeiture procedure.**~~ -- (a) In addition to or in lieu of the criminal
20 forfeiture procedures of this chapter, any property described in § 21-28-5.04 except as designated
21 in subsection (b) of this section, is subject to civil forfeiture to the state. Civil forfeiture
22 proceedings shall be in the nature of an action in rem and shall be governed by the civil rules for
23 in rem proceedings.

24 (b) All property described in § 21-28-5.04 is subject to civil forfeiture except that:

25 (1) No conveyances used by any person as a common carrier in the transaction of
26 business as a common carrier shall be forfeited under the provisions of this section unless it
27 appears that the owner or other person in charge of the conveyance was a consenting party or
28 privy to the covered offense charged;

29 (2) No conveyance shall be forfeited under the provisions of this section by reason of any
30 act or omission established by the owner ~~thereof~~ of it to have been committed or omitted by any
31 person other than the owner while the conveyance was unlawfully in the possession of a person
32 other than the owner in violation of the criminal laws of this state or of the United States; and

33 (3) No property shall be forfeited under this section, to the extent of the interest of an
34 owner, by reason of any act or omission established by that owner to have been committed or
35 omitted without knowledge or consent of that owner.

(c) Property subject to forfeiture under this section may be seized by a law enforcement officer:

(1) Upon process issued pursuant to the Rules of Civil Procedure applicable to in rem proceedings;

(2) Upon process issued pursuant to a legally authorized search warrant; or

(3) Without ~~such~~ court process when:

(i)~~(A)~~ The seizure is incident to a lawful arrest or search;

(ii)~~(B)~~ The property subject to seizure has been the subject of a prior judgment in favor of the state in a controlled substance act;

(iii)~~(C)~~ The law enforcement officer has probable cause to believe that the property is directly or indirectly dangerous to health or safety; or

(iv)~~(D)~~ The law enforcement officer has probable cause to believe that the property is forfeitable under § 21-28-5.04.

(d) In the event of a seizure under § 21-28-5.04 the property shall not be subject to sequestration or attachment but is deemed to be in the custody of the law enforcement agency making the seizure, subject only to the order of the court. When property is seized under this section, pending forfeiture and final disposition, the law enforcement agency making the seizure may:

(1) Place the property under seal;

(2) Remove the property to a storage area for safekeeping;

(3) Remove the property to a place designated by the court; or

(4) Request another agency authorized by law to take custody of the property and remove it to an appropriate location within the jurisdiction of the court.

(e) As soon as practicable after seizure, the seizing agency shall conduct an inventory upon and cause the appraisal of the property seized.

(f) In the event of a seizure under this section, the seizing agency shall within thirty (30) days send to the attorney general a written request for forfeiture, which shall include a statement of all facts and circumstances including the names of all witnesses then known, the appraised value of the property and the statutory provision relied upon for forfeiture.

(g) The attorney general shall immediately examine the facts and applicable law of the cases referred to him or her pursuant to this section, and if it is probable that the property is subject to forfeiture shall ~~forthwith~~ immediately cause the initiation of administrative or judicial proceedings against the property. If, upon inquiry and examination, the attorney general determines that ~~such~~ those proceedings probably cannot be sustained or that justice does not

1 require the institution of ~~such~~ the proceedings, he or she shall make a written report of ~~such~~ those
2 findings, transmit a copy to the seizing agency, and ~~forthwith~~ immediately authorize the release
3 of the property.

4 (h) If the value of any personal property seized does not exceed twenty thousand dollars
5 (\$20,000), the attorney general may forfeit the property administratively in the following manner:

6 (1) The attorney general shall provide notice of intention to forfeit property
7 administratively by publication in a local newspaper of general circulation, one day per week for
8 three (3) consecutive weeks.

9 (2) In addition, to the extent practicable, the attorney general shall provide notice by
10 registered mail of intent to forfeit the property administratively to all known interested parties and
11 all parties whose identity is reasonably subject to discovery who may have an interest in the
12 property seized.

13 (3) Notice by publication and by mail shall include:

14 (i)~~(A)~~ A description of the property;

15 (ii)~~(B)~~ The appraised value of the property;

16 (iii)~~(C)~~ The date and place of seizure;

17 (iv)~~(D)~~ The violation of law alleged against the subject property;

18 (v)~~(E)~~ The instructions for filing claim and cost bond or a petition for remission or
19 mitigation; and

20 (vi)~~(F)~~ A notice that the property will be forfeited to the state if a petition for remission or
21 mitigation or a claim and cost bond has not been timely filed.

22 (4) Persons claiming an interest in the property may file petitions for remission or
23 mitigation of forfeiture or a claim and cost bond with the attorney general within thirty (30) days
24 of the final notice by publication or receipt of written notice, whichever is earlier.

25 (5) The attorney general shall inquire into the facts and circumstances surrounding
26 petitions for remission or mitigation of forfeiture.

27 (6) The attorney general shall provide the seizing agency and the petitioner a written
28 decision on each petition for remission or mitigation within sixty (60) days of receipt of the
29 petition unless the circumstances of the case require additional time, in which case the attorney
30 general shall notify the petitioner in writing and with specificity within the sixty (60) day period
31 that the circumstances of the case require additional time and further notify the petitioner of the
32 expected decision date.

33 (7) Any person claiming seized property under this subsection may institute de novo
34 judicial review of the seizure and proposed forfeiture by timely filing with the attorney general a

1 claim and bond to the state in the amount of ten percent (10%) of the appraised value of the
2 property or in the penal sum of two hundred fifty dollars (\$250), whichever is greater, with
3 sureties to be approved by the attorney general, upon condition that in the case of forfeiture the
4 claimant shall pay all costs and expenses of the proceedings at the discretion of the court. Upon
5 receipt of the claim and bond, or if he or she otherwise so elects, the attorney general shall file
6 with the court a complaint in rem in accordance with the procedures set forth in this section. Any
7 funds received by the attorney general as cost bonds shall be placed in an escrow account pending
8 final disposition of the case.

9 (8) If no petitions or claims with bonds are timely filed, the attorney general shall prepare
10 a written declaration of forfeiture of the subject property to the state and dispose of the property
11 in accordance with this chapter.

12 (9) If the petition is denied, the attorney general shall prepare a written declaration of
13 forfeiture to the state and dispose of the property in accordance with this chapter and the attorney
14 general's regulations, if any, promulgated ~~thereunder~~ pursuant to this chapter.

15 (10) A written declaration of forfeiture signed by the attorney general pursuant to this
16 chapter shall be deemed to provide good and sufficient title to the forfeited property.

17 (i) If the value of any personal property seized exceeds twenty thousand dollars
18 (\$20,000), the attorney general shall file a complaint in rem against the property within twenty
19 (20) days of the receipt of the report referred to in subsection (f) of this section and thereafter
20 provide notice of intention to forfeit by publication in a local newspaper of general circulation for
21 a period of at least once per week for three (3) consecutive weeks. The notice shall include:

22 (1)~~(A)~~ A description of the property;

23 (2)~~(B)~~ The appraised value of the property;

24 (3)~~(C)~~ The date and place of seizure;

25 (4)~~(D)~~ The violation of law alleged against the subject property.;

26 (j)(1) The case may be tried by a jury, if in the superior court, upon the request of either
27 party, otherwise by the court, and the cause of forfeiture alleged being proved, the court which
28 shall try the case shall enter upon judgment for the forfeiture and disposition of ~~such~~ the property
29 according to law.

30 (2)~~(4)~~ An appeal may be claimed by either party from any judgment of forfeiture
31 rendered by the district court, to be taken in like manner as by defendants in criminal cases within
32 the jurisdiction of the district court to try and determine, to the superior court for the same county
33 in which the division of the district court rendering judgment is situated and like proceedings may
34 be had therein as in cases of informations for forfeitures originally filed in that court.

1 (3)(2) The judgment of the superior court shall be final in all cases of ~~such~~ the forfeitures,
2 whether originally commenced in that court or brought there by appeal, unless a new trial be
3 ordered, for cause shown by the supreme court.

4 (k) The in rem action shall be brought in the district court if the value of the property
5 seized is less than two hundred fifty thousand dollars (\$250,000), otherwise the in rem action
6 shall be brought in the superior court. The attorney general shall also, to the extent practicable,
7 provide written notice of the action in rem to all known interested parties and all persons whose
8 identity is reasonably subject to discovery who may have an interest in the property.

9 (l) Persons claiming an interest in the property may file claims against the property
10 within thirty (30) days of the final notice by publication or receipt of written notice, whichever is
11 earlier. The claims shall be filed and adjudicated in the manner set forth for petitions in criminal
12 proceedings in § 21-28-5.04.1(f).

13 (m) If the property sought to be forfeited is real property, the attorney general shall file a
14 complaint in rem in the superior court against the property. In addition to providing notice as
15 required by this chapter, the attorney general shall file a lis pendens with respect to the property
16 with the recorder of deeds in the city or town in which the property is located.

17 (n) Upon order of the court forfeiting the subject property to the state, the state shall have
18 clear title to the forfeited property, and the attorney general may transfer good and sufficient title
19 to any subsequent purchaser or transferee. Title to the forfeited property shall be deemed to have
20 vested in the state upon the commission of the act giving rise to the forfeiture under this chapter.

21 (o) Upon entry of judgment for the claimant in any proceeding to forfeit property under
22 this chapter, the property shall be returned ~~forthwith~~ immediately to the claimant. If it appears
23 that there was reasonable cause for the seizure ~~of~~ or the filing of the complaint, the court shall
24 cause a proper certificate ~~thereof~~ of that to be entered, and the claimant shall not, in that case, be
25 entitled to costs or damages, nor shall the person or agency who made the seizure, nor the
26 attorney general ~~not~~ nor the prosecutor, be liable to suit or judgment on account of the seizure,
27 suit, or prosecution.

28 (p) In any action brought under this section, the state shall have the initial burden of
29 showing the existence of probable cause for seizure or arrest of the property. Upon ~~such a~~ that
30 showing by the state, the claimant shall have the burden of showing by a preponderance of
31 evidence that the property was not subject to forfeiture under this section.

32 SECTION 57. Section 31-41.1-4 of the General Laws in Chapter 31-41.1 entitled
33 “Adjudication of Traffic Offenses” is hereby amended to read as follows:

1 **31-41.1-4. Schedule of violations.** -- (a) The penalties for violations of the enumerated
2 sections, listed in numerical order, correspond to the fines described; provided, however, those
3 offenses for which punishments which may vary according to the severity of the offense, or
4 punishment which require the violator to perform a service, shall be heard and decided by the
5 traffic tribunal or municipal court. The following violations may be handled administratively
6 through the method prescribed in this chapter; provided, however, this list is not exclusive and
7 jurisdiction may be conferred on the traffic tribunal with regard to other violations.

8 **VIOLATIONS SCHEDULE**

10	Section of General Laws _____		Total Fine
11	08-08.2-02	DOT, DEM, or other agency and department violations	\$50.00
12	24-10-17	Soliciting rides in motor vehicles	50.00
13	24-10-18	Backing up prohibited	50.00
14	24-10-20	Park and ride lots	50.00
15	31-03-12	Visibility of plates	50.00
16	31-03-18	Display of plates	50.00
17	31-03-32	Driving with expired registration	50.00
18	31-03-34	Failure to notify division of change of address	50.00
19	31-03-35	Notice of change of name	50.00
20	31-03-40	Temporary plates - dealer issued	50.00
21	31-04-03	Temporary registration - twenty (20) day bill of sale	50.00
22	31-07-01	Operating on foreign registration	50.00 up to
23	<u>\$500.00</u>		
24	31-08-01	Operating without evidence of registration	50.00
25	31-10.0-10	Rules as to armed forces license	50.00
26	31-10.0-30	Driving on expired license	50.00
27	31-10.0-32	Notice of change of address	50.00
28	31-10.1-04	No motorcycle helmet (operator)	50.00
29	31-10.1-05	Motorcycle handlebar violation	50.00
30	31-10.1-06	No motorcycle helmet (passenger)	50.00
31	31-10.1-07	Inspection of motorcycle required	50.00
32	31-12-12	Local motor vehicle ordinance	50.00
33	31-13-04	Obedience to devices	50.00
34	31-13-06(3)(i)	Eluding traffic light	50.00
35	31-13-09	Flashing signals	50.00
36	31-13-11	Injury to signs or devices	50.00
37	31-14-01	Reasonable and prudent speed	50.00
38	31-14-03	Condition requiring reduced speed	50.00
39	31-14-09	Below minimum speed	50.00
40	31-14-12	Speed limit on bridges and structures	50.00
41	31-15-01	Leaving lane of travel	50.00
42	31-15-02	Slow traffic to right	50.00
43	31-15-03	Operator left of center	50.00

1	31-15-04	Overtaking on left	50.00	
2	31-15-05(a)	Overtaking on right	50.00	
3	31-15-06	Clearance for overtaking	50.00	
4	31-15-07	Places where overtaking prohibited	50.00	
5	31-15-08	No passing zone	50.00	
6	31-15-09	One way highways	50.00	
7	31-15-10	Rotary traffic islands	50.00	
8	31-15-11	Laned roadway violation	50.00	
9	31-15-12	Following too closely	50.00	
10	31-15-12.1	Entering intersection	50.00	
11	31-15-13	Crossing center section of divided highway	50.00	
12	31-15-14	Entering or leaving limited access roadways	50.00	
13	31-15-16	Use of emergency break-down lane for travel	50.00	
14	31-16-01	Care in starting from stop	50.00	
15	31-16-02	Manner of turning at intersection	50.00	
16	31-16-04	U turn where prohibited	50.00	
17	31-16-05	Turn signal required	50.00	
18	31-16-06	Time of signaling turn	50.00	
19	31-16-07	Failure to give stop signal	50.00	
20	31-16-08	Method of giving signals	50.00	
21	31-17-01	Failure to yield right of way	50.00	
22	31-17-02	Vehicle turning left	50.00	
23	31-17-03	Yield right of way (intersection)	50.00	
24	31-17-04	Obedience to stop signs	50.00	
25	31-17-05	Entering from private road or driveway	50.00	
26	31-17-08	Vehicle within right of way, rotary	50.00	
27	31-18-03	Right of way in crosswalks	50.00	
28	31-18-05	Crossing other than at crosswalks	50.00	
29	31-18-08	Due care by drivers	50.00	
30	31-18-12	Hitchhiking	50.00	
31	31-18-18	Right of way on sidewalks	50.00	
32	31-19.0-03	Traffic laws applied to bicycles	50.00	
33	31-19.0-20	Sale of new bicycles	50.00	
34	31-19.0-21	Sale of used bicycles	50.00	
35	31-19.1-02	Operating motorized bicycle on an interstate highway		50.00
36	31-19.2-02	Operating motorized tricycle on an interstate highway		50.00
37	31-20-01	Failure to stop at railroad crossing	50.00	
38	31-20-02	Driving through railroad gate	50.00	
39	31-20-09	Obedience to stop sign	50.00	
40	31-21-04	Places where parking or stopping prohibited	50.00	
41	31-21-14	Opening of vehicle doors	50.00	
42	31-22-02	Improper backing up	50.00	
43	31-22-04	Overloading vehicle	50.00	
44	31-22-05	Violation of safety zone	50.00	
45	31-22-06	Coasting	50.00	
46	31-22-07	Following fire apparatus	50.00	

1	31-22-08	Crossing fire hose	50.00	
2	31-22-09	Throwing debris on highway - snow removal	50.00	
3	31-22-11.5	Improper use of school bus	- not to exceed	
4	five hundred dollars (\$500) for each day of improper use			
5	31-22-22(b)	No child restraint	50.00	
6	31-22-22(c)	Child restraint/seat belt but not in back seat	50.00	
7	31-22-22(e), (1k)	No seat belt - passenger	50.00	
8	31-22-22(f)	No seat belt operator	50.00	
9	31-22-23 (b)	Tow trucks - proper identification	50.00 250.00	
10	31-22-23 (c)	Tow trucks – “limited towing” identification		
11	31-22-23 (c)	First offense	Not more than	
12	100.00			
13	31-22-23 (c)	Second offense	Not more than	
14	250.00			
15	31-22-23 (c)	Third offense	Not more than	
16	500.00			
17	31-22-24	Operation of interior lights	50.00	
18	31-22-28 (b)	Transporting animals - first offense	Not more than	
19	50.00			
20	31-22-28 (b)	Second and subsequent offenses	Not more than	
21	200.00			
22	31-23-01(b)	U.S. department of transportation motor carrier safety rules and		
23	regulations	50.00 not less than 25.00 or more than 500.00		
24	31-23-01 (b)(4)	Unauthorized removal of “out of service vehicle” sticker		100.00
25	31-23-01 (b)(5)	Operation of “out of service vehicle”	100.00	
26	31-23-04	Brake equipment required	50.00	
27	31-23-08	Horn required	50.00	
28	31-23-10	Sirens prohibited	50.00	
29	31-23-13	Muffler required	50.00	
30	31-23-13.1	Altering height or operating a motor vehicle with an altered height		50.00
31	31-23-14	Prevention of excessive fumes or smoke	50.00	
32	31-23-15	Rear view mirror	50.00	
33	31-23-16	Windshield and window stickers (visibility)	50.00	
34	31-23-17	Windshield wipers	50.00	
35	31-23-19	Metal tires prohibited	50.00	
36	31-23-20	Protuberances on tires	50.00	
37	31-23-26	Fenders and wheel flaps required	50.00	
38	31-23-27	Rear wheel flaps on buses, trucks and trailers	50.00	
39	31-23-29	Flares or red flag required over four thousand pounds (4,000 lbs.)		50.00
40	31-23-38	Television receivers prohibited	50.00 not more	
41	than 100.00			
42	31-23-40	Approved types of seat belt requirements	50.00	
43	31-23-42.1	Special mirror - school bus	50.00	
44	31-23-43	Chocks required (1 pair) – over four thousand pounds (4,000 lbs.)		50.00
45	31-23-45	Tire treads - defective tires	50.00	
46	31-23-47	Slow moving emblem required	50.00	
47	31-23-49	Transportation of gasoline - passenger vehicle	50.00	
48	31-23-51 (1)	Operating bike or motor vehicle wearing ear phones (first offense)		50.00
49	31-23-51 (2)	Second offense	70.00	

1	31-23-51 (3)	Third and subsequent offenses	140.00	
2	31-24-01 through			
3	31-24- 53-54	Times when lights required		
4		50.00		
5		Safety lights required on food vending vehicles		
6	31-24-05	Headlamp required on motorcycle	50.00	
7	31-24-31	Flashing lights - permit required	50.00	
8	31-24-34	Failure to dim lights	50.00	
9	31-24-45	Red flag required, load projecting four feet (4') rear		50.00
10	31-25-03	Maximum width of one hundred and two inches (102") exceeded		50.00
11	31-25-04	Maximum height of one hundred sixty-two inches (162") exceeded		50.00
12	31-25-06	Maximum number and length of coupled vehicles 500		
13	31-25-07	Load extending three feet (3') front, six feet (6') rear exceeded		50.00
14	31-25-09	Leaking load	50.00	
15	31-25-10 (d)(1)	Fastening of load and covering - <u>first offense</u>	50.00	<u>not more</u>
16		<u>than 100.00</u>		
17	31-25-10 (d) (1)	Second and subsequent offenses	Not less than	
18		<u>100.00 or more than 500.00</u>		
19	31-25-11	Connections between coupled vehicles	50.00	
20	31-25-12	Towing chain, twelve inch (12") square flag required		50.00
21	31-25-12.1 (b)(1)	Tow truck - use of lanes (first offense)	50.00	
22	31-25-12.1 (b)(2)	Second offense	75.00	
23	31-25-12.1 (b)(3)	Third offense and subsequent offenses	100.00	
24	31-25-13	Axle load limit	150	
25	31-25-14(d)(1)	Maximum weight and tandem axles	100	
26	31-25-14(d)(2)	Maximum weight and tandem axles	100	
27	31-25-14(d)(3)	Maximum weight and tandem axles	100	
28	31-25-16(c)(1)	Maximum weight shown in registration	30.00 40.00	per
29		thousand lbs. overweight or portion thereof		
30	31-25-16(c)(2)	Maximum weight shown in registration	60.00 80.00	per
31		thousand lbs. overweight or portion thereof		
32	31-25-16(c)(3)	Maximum weight shown in registration	1,000 plus	
33		\$60.00 per thousand pounds overweight or portion thereof		
34	31-25-17	Identification of trucks and truck-tractors (first offense)		50.00
35	31-25-24	Carrying and inspection of excess load limit	150	
36	31-27-02.3	Refusal to take preliminary breath test	50.00	
37	31-28-07(bd)(4)	Wrongful use of handicapped parking placard	100	
38	31-28-07(df)	Handicapped parking space violation		
39	<u>31-28-07(f)(1)</u>	First offense	75.00	
40	<u>31-28-07(f)(2)</u>	Second offense	150	
41	<u>31-28-07(f)(3)</u>	Third offense and subsequent offenses	300	
42	<u>31-28-07 (j)</u>	<u>Counterfeit handicapped parking placard</u>	<u>Up to \$500.00</u>	
43	31-28-07.1(e)	Wrongful use of institutional handicapped parking placard		100
44	31-33-02	Failure to file accident report	50.00	
45	31-36.1-17 (a)(1)	No fuel tax stamp (out-of-state) - <u>first violation</u>	50.00	
46	<u>31-36-17 (a)(2)</u>	<u>Second and subsequent violations</u>	<u>Not exceeding</u>	
47		<u>100.00</u>		
48	31-38-03	No inspection sticker	50.00	

1	31-38-04	Violation of inspection laws	50.00
2	31-45-01	Noise limits	50.00
3	31-45-05	Audio Systems	50.00
4	31-47.2-06	Heavy-duty vehicle emission inspections	
5	<u>31-47.2-06 (a)(1)</u>	First offense	100
6	<u>31-47.2-06 (a)(2)</u>	Second offense	500
7	<u>31-47.2-06 (a)(3)</u>	Third offense	1,000
8	37-15-07(a)	Littering – <u>first offense</u>	<u>Not less than</u>
9	50.00	<u>nor more than 500.00</u>	
10	37-15-07(b)	Littering – second offense	<u>Not less than</u>
11			<u>three hundred dollars (\$300) nor more than five hundred dollars (\$500)</u>
12	39-12-26	Public carriers violation	50.00
13			
14	SPEEDING		<u>Fine</u>
15	(A) One to fifteen miles per hour (1-15 mph) in excess of posted speed limit		\$50.00
16	(B) Sixteen miles per hour (16 mph) in excess of posted speed limit with a fine of ten		
17	dollars (\$10.00) per mile in excess of speed limit shall be assessed.		160.00
18	minimum		
19			
20	(b) In addition to any other penalties provided by law, a judge may impose the following		
21	penalties for speeding:		
22	(i) For speeds up to and including fifteen miles per hour (15 mph) over the posted speed		
23	limit on public highways, a fine as provided for in subsection (a) of this section for the first		
24	offense, ten dollars (\$10.00) per mile for each mile in excess of the speed limit for the second		
25	offense if within twelve (12) months of the first offense, and fifteen dollars (\$15.00) per mile for		
26	each mile in excess of the speed limit for the third and subsequent offense if within twelve (12)		
27	months of the first offense. In addition, the license may be suspended up to thirty (30) days.		
28	(ii) For speeds in excess of fifteen miles per hour (15 mph) over the posted speed limit on		
29	public highways, a mandatory fine of ten dollars (\$10.00) for each mile over the speed limit for		
30	the first offense, fifteen dollars (\$15.00) per mile for each mile in excess of the speed limit for the		
31	second offense if within twelve (12) months of the first offense, and twenty dollars (\$20.00) per		
32	mile for each mile in excess of the speed limit for the third and subsequent offense if within		
33	twelve (12) months of the first offense. In addition, the license may be suspended up to sixty (60)		
34	days.		
35	(c) Any person charged with a violation who pays the fine administratively pursuant to		
36	chapter 8.2 of title 8 is not subject to any additional costs or assessments, including but not		
37	limited to the hearing fee established in § 8-18-4 or assessment for substance abuse prevention.		
38	SECTION 58. sections 27-25-10, 27-25-13, 27-25-19, 27-25-27 and 27-25-44 of the		
39	General Laws in Chapter 27-25 entitled “Rhode Island Fraternal Code” are hereby amended to		
40	read as follows:		

1 **27-25-10. Organization.** -- A domestic society ~~organized on or after January 1, 1985,~~
2 shall be formed as follows:

3 (1) Seven (7) or more citizens of the United States, a majority of whom are citizens of
4 this state, who desire to form a fraternal benefit society, may make, sign, and acknowledge before
5 some officer competent to take acknowledgment of deeds, articles of incorporation, in which
6 shall be stated:

7 (i) The proposed corporate name of the society, which shall not so closely resemble the
8 name of any society or insurance company as to be misleading or confusing;

9 (ii) The purposes for which it is being formed and the mode in which its corporate powers
10 are to be exercised. Those purposes shall not include more liberal powers than are granted by this
11 chapter; and

12 (iii) The names and residences of the incorporators and the names, residences, and
13 official titles of all the officers, trustees, directors, or other persons who are to have and exercise
14 the general control of the management of the affairs and funds of the society for the first year or
15 until the ensuing election at which all of the officers shall be elected by the supreme governing
16 body, which election shall be held not later than one year from the date of the issuance of the
17 permanent certificate of authority;

18 (2) The articles of incorporation, duly certified copies of the society's bylaws and rules,
19 copies of all proposed forms of certificates, applications ~~therefor~~ for them, and circulars to be
20 issued by the society and a bond conditioned upon the return to applicants of the advanced
21 payments if the organization is not completed within one year, shall be filed with the
22 commissioner of insurance, who may require any further information the commissioner deems
23 necessary. The bond with sureties approved by the commissioner of insurance shall be in an
24 amount, not less than three hundred thousand dollars (\$300,000) nor more than one million five
25 hundred thousand dollars (\$1,500,000), as required by the commissioner of insurance. All
26 documents filed are to be in the English language. If the purposes of the society conform to the
27 requirements of this chapter and all of the provisions of the law have been complied with, the
28 commissioner of insurance shall so certify, retain, and file the articles of incorporation and
29 furnish the incorporators with a preliminary certificate of authority authorizing the society to
30 solicit members;

31 (3) No preliminary certificate of authority granted under the provisions of this section
32 shall be valid after one year from its date or after a further period, not exceeding one year, as may
33 be authorized by the commissioner of insurance upon cause shown, unless the five hundred (500)
34 applicants have been secured and the organization has been completed as ~~herein~~ provided in this

1 section. The articles of incorporation and all other proceedings ~~thereunder~~ under the articles shall
2 become null and void in one year from the date of the preliminary certificate of authority, or at
3 the expiration of the extended period, unless the society shall have completed its organization and
4 received a certificate of authority to do business;

5 (4) Upon receipt of a preliminary certificate of authority from the commissioner of
6 insurance, the society may solicit members for the purpose of completing its organization, shall
7 collect from each applicant the amount of not less than one regular monthly premium in
8 accordance with its table of rates, and shall issue to each applicant a receipt for the amount so
9 collected. No society shall incur any liability other than for the return of the advance premium,
10 nor issue any certificate, nor pay, allow, or offer or promise to pay or allow, any benefit to any
11 person until:

12 (i) Actual bona fide applications for benefits have been secured on not less than five
13 hundred (500) applicants, and any necessary evidence of insurability has been furnished to and
14 approved by the society;

15 (ii) At least ten (10) subordinate lodges have been established into which the five hundred
16 (500) applicants have been admitted;

17 (iii) There has been submitted to the commissioner of insurance, under oath of the
18 president or secretary or corresponding officer of the society, a list of the applicants, giving their
19 names, addresses, date each was admitted, name and number of the subordinate lodge of which
20 each applicant is a member, amount of benefits to be granted and premiums ~~therefor~~ for the
21 benefits; and

22 (iv) It shall have been shown to the commissioner of insurance, by sworn statement of the
23 treasurer or corresponding officer of the society, that at least five hundred (500) applicants have
24 each paid in cash at least one regular monthly premium as ~~herein~~ provided in this section, which
25 premiums in the aggregate shall amount to at least one hundred and fifty thousand dollars
26 (\$150,000). The advance premiums shall be held in trust during the period of organization and if
27 the society has not qualified for a certificate of authority within one year, the premiums shall be
28 returned to the applicant;

29 (5) The commissioner of insurance may make any examination and require any further
30 information as the commissioner deems advisable. Upon presentation of satisfactory evidence
31 that the society has complied with all of the provisions of law, the commissioner shall issue to the
32 society a certificate of authority to that effect and that the society is authorized to transact
33 business pursuant to the provisions of this chapter. The certificate of authority shall be prima
34 facie evidence of the existence of the society at the date of the certificate. The commissioner of

insurance shall cause a record of the certificate of authority to be made. A certified copy of the record may be given in evidence with like effect as the original certificate of authority; and

(6) Any incorporated society authorized to transact business in this state at the time this chapter becomes effective shall not be required to reincorporate.

27-25-13. Reinsurance. -- (a) A domestic society may, by a reinsurance agreement, cede any individual risk or risks in whole or in part to an insurer, other than another fraternal benefit society, having the power to make reinsurance and authorized to do business in this state, or, if not so authorized, one which is approved by the commissioner of insurance, but no society may reinsure substantially all of its insurance in force without the written permission of the commissioner of insurance. It may take credit for the reserves on the ceded risks to the extent reinsured, but no credit shall be allowed as an admitted asset or as a deduction from liability, to a ceding society for reinsurance made, ceded, or renewed, ~~or otherwise becoming effective after January 1, 1985,~~ unless the reinsurance is payable by the assuming insurer on the basis of the liability of the ceding society under the contract or contracts reinsured without diminution because of the insolvency of the ceding society.

(b) Notwithstanding the limitation in subsection (a) of this section, a society may reinsure the risks of another society in a consolidation or merger approved by the commissioner of insurance under § 27-25-14.

27-25-19. The benefit contract. -- (a) Every society authorized to do business in this state shall issue to each owner of a benefit contract a certificate specifying the amount of benefits provided ~~thereby~~ by the contract. The certificate, together with any riders or endorsements attached ~~thereto~~ to it, the laws of the society, the application for membership, the application for insurance and declaration of insurability, if any, signed by the applicant, and all amendments to each, shall constitute the benefit contract, as of the date of issuance, between the society and the owner, and the certificate shall so state. A copy of the application for insurance and declaration of insurability, if any, shall be endorsed upon or attached to the certificate. All statements on the application shall be representations and not warranties. Any waiver of this provision shall be void.

(b) Any changes, additions, or amendments to the laws of the society duly made or enacted subsequent to the issuance of the certificate, shall bind the owner and the beneficiaries, and shall govern and control the benefit contract in all respects the same as though those changes, additions, or amendments had been made prior to and were in force at the time of the application for insurance, except that no change, addition, or amendment shall destroy or diminish benefits which the society contracted to give the owner as of the date of issuance.

1 (c) Any person upon whose life a benefit contract is issued prior to attaining the age of
2 majority shall be bound by the terms of the application and certificate and by all the laws and
3 rules of the society to the same extent as though the age of majority had been attained at the time
4 of application.

5 (d) A society shall provide in its laws that if its reserves as to all or any class of
6 certificates become impaired its board of directors or corresponding body may require that there
7 shall be paid by the owner to the society the amount of the owner's equitable proportion of the
8 deficiency as ascertained by its board, and that if the payment is not made either (1) it shall stand
9 as an indebtedness against the certificate and draw interest not to exceed the rate specified for
10 certificate loans under the certificates; or (2) in lieu of or in combination with ~~clause~~ subdivision
11 (1) of this subsection, the owner may accept a proportionate reduction in benefits under the
12 certificate. The society may specify the manner of the election and which alternative is to be
13 presumed if no election is made.

14 (e) Copies of any of the documents mentioned in this section, certified by the secretary or
15 corresponding officer of the society, shall be received in evidence of the terms and conditions
16 ~~thereof~~ of the documents.

17 (f) No certificate shall be delivered or issued for delivery in this state unless a copy of the
18 form has been filed with the commissioner of insurance in the manner provided for like policies
19 issued by life insurers in this state. Every life, accident, health, or disability insurance certificate
20 and every annuity certificate ~~issued on or after January 1, 1986~~, shall meet the standard contract
21 provision requirements not inconsistent with this chapter for like policies issued by life insurers in
22 this state, except that a society may provide for a grace period for the payment of premiums of
23 one full month in its certificate. The certificate shall also contain a provision stating the amount
24 of premiums which are payable under the certificate and a provision reciting or setting forth the
25 substance of any sections of the society's laws or rules in force at the time of issuance of the
26 certificate which, if violated, will result in the termination or reduction of benefits payable under
27 the certificate. If the laws of the society provide for expulsion or suspension of a member, the
28 certificate shall also contain a provision that any member so expelled or suspended, except for
29 nonpayment of a premium or within the contestable period for material misrepresentations in the
30 application for membership or insurance, shall have the privilege of maintaining the certificate in
31 force by continuing payment of the required premium.

32 (g) Benefit contracts issued on the lives of persons below the society's minimum age for
33 adult membership may provide for the transfer of control or ownership to the insured at an age
34 specified in the certificate. A society may require approval of an application for membership in

1 order to effect this transfer, and may provide in all other respects for the regulation, government,
2 and control of the certificates and all of the rights, obligations, and liabilities incident ~~thereto~~ to
3 and connected ~~therewith~~ with the certificates. Ownership rights prior to the transfer shall be
4 specified in the certificate.

5 (h) A society may specify the terms and conditions on which benefit contracts may be
6 assigned.

7 **27-25-27. Annual license.** -- (a) The authority of ~~existing societies and~~ all societies
8 ~~hereafter licensed~~ shall be continuous unless sooner revoked or suspended as provided in this
9 chapter. For each license the society shall pay the commissioner of insurance one hundred dollars
10 (\$100). The society shall further pay a license fee of one hundred dollars (\$100) annually prior to
11 April 30 of each year. A duly certified copy or duplicate of the license shall be prima facie
12 evidence that the licensee is a fraternal benefit society within the meaning of this chapter.

13 (b) The commissioner may assess a late fee of ten dollars (\$10.00) per day for each day
14 the society is late in remitting its annual license fee.

15 **27-25-44. Fraternal benefit society assessment.** -- (a) Notwithstanding any other
16 provisions of law, each domestic fraternal benefit society shall be charged an assessment to
17 partially support the activities of the division of insurance in the department of business
18 regulation.

19 (b) ~~Commencing in fiscal year 1990-1991,~~ Each society's assessment shall be determined
20 in accordance with the following ratio: (1) by dividing the society's total direct premiums,
21 including annuities, less policyholder dividends by total direct premiums, including ~~annuities~~
22 annuities, less policyholder dividends of all domestic insurance companies plus the total direct
23 premiums of domestic companies licensed or regulated pursuant to chapters 19, 20, 20.1, 20.2,
24 20.3, 25, and 41 of this title, and chapter 62 of title 42, and then by (2) multiplying the resulting
25 ratio times two hundred thousand dollars (\$200,000).

26 (c) The minimum assessment charged shall be the greater of the sum determined by
27 subsection (b) of this section or one thousand dollars (\$1,000).

28 SECTION 59. Section 27-29-11 of the General Laws in Chapter 27-29 entitled "Unfair
29 Competition and Practices" is hereby amended to read as follows:

30 **27-29-11. Immunity from prosecution.** -- If any person shall ask to be excused from
31 attending and testifying or from producing any books, papers, records, correspondence or other
32 documents at any hearing on the ground that the testimony or evidence required may tend to
33 incriminate or subject the person to a penalty or forfeiture, and shall notwithstanding be directed
34 to give the testimony or produce the evidence, the person shall nonetheless comply with the

1 direction, but shall not thereafter be prosecuted or subjected to any penalty or forfeiture ~~for~~ on
2 account of any transaction, matter, or thing concerning on which the person may testify or
3 produce evidence, ~~thereto~~, and no testimony so given or evidence produced shall be received
4 against the person upon any criminal action, investigation, or proceeding; ~~provided, however~~
5 However, ~~that~~ no person so testifying shall be exempt from prosecution or punishment for any
6 perjury committed while so testifying and the testimony or evidence so given or produced shall
7 be admissible against the person upon any criminal action, investigation, or proceeding
8 concerning that perjury, nor shall the person be exempt from the refusal, revocation, or
9 suspension of any license, permission, or authority conferred, or to be conferred, pursuant to the
10 insurance law of this state. Any person may execute, acknowledge, and file in the office of the
11 commissioner a statement expressly waiving this immunity or privilege in respect to any
12 transaction, matter, or thing specified in the statement and thereupon the testimony of the person
13 or the evidence in relation to the transaction, matter, or thing may be received or produced before
14 any judge or justice, court, tribunal, grand jury, or otherwise, and if so received or produced the
15 person shall not be entitled to any immunity or privilege on account of any testimony the person
16 may so give or evidence so produced.

17 SECTION 60. Section 27-32-8.1 of the General Laws in Chapter 27-32 entitled "Pension,
18 Profit Sharing or Annuity Plans" is hereby amended to read as follows:

19 **27-32-8.1. Individual variable life insurance.** -- ~~Notwithstanding the provisions of § 27-~~
20 ~~32-8, the provisions of §§ 27-4-14 and 27-4-15 shall not apply to a variable life insurance policy;~~
21 ~~provided, however~~, Any individual variable life insurance contract delivered or issued for
22 delivery in this state shall contain nonforfeiture provisions appropriate to this a type of contract as
23 approved by the director of business regulation.

24 SECTION 61. Sections 27-34-5, 27-34-7, 27-34-8 and 27-34-9 of the General Laws in
25 Chapter 27-34 entitled "Rhode Island Insurers' Insolvency Fund" are hereby amended to read as
26 follows:

27 **27-34-5. Definitions.** -- As used in this chapter:

28 (1) "Account" means any one of the three (3) accounts created by § 27-34-6;

29 (2) "Affiliate" means a person, who directly or indirectly, through one or more
30 intermediaries, controls, is controlled by, or is under common control with an insolvent insurer on
31 December 31 of the year next preceding the date the insurer becomes an insolvent insurer;

32 (3) "Claimant" means any insured making a first party claim or any person instituting a
33 liability claim; provided that no person who is an affiliate of the insolvent insurer may be a
34 claimant;

1 (4) “Commercial lines excess liability insurance” means any commercial lines liability
2 insurance written over an underlying policy with policy limits of at least \$300,000 or a self-
3 insured retention of at least \$300,000;

4 (5) “Commercial lines insurance” means any insurance to which this chapter applies
5 which is not personal lines insurance;

6 (6) “Commissioner” means the commissioner of insurance;

7 (7) “Control” means the possession, direct or indirect, of the power to direct or cause the
8 direction of the management and policies of a person, whether through the ownership of voting
9 securities, by contract other than a commercial contract for goods or nonmanagement services, or
10 otherwise, unless the power is the result of an official position with, or corporate office held by,
11 the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls,
12 holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the
13 voting securities of any other person. This presumption may be rebutted by a showing that control
14 does not exist in fact;

15 (8) “Covered claim” means an unpaid claim, including one for unearned premiums,
16 submitted by a claimant, which arises out of and is within the coverage and subject to the
17 applicable limits of an insurance policy to which this chapter applies issued by an insurer; if the
18 insurer becomes an insolvent insurer ~~on or after July 1, 1988~~ and:

19 (i) The claimant or insured is a resident of this state at the time of the insured event;
20 provided, that for entities other than an individual, the residence of a claimant or insured is the
21 state in which its principal place of business is located at the time of the insured event; or

22 (ii) The property from which the claim arises is permanently located in this state.

23 “Covered claim” shall not include any amount:

24 (A) Awarded as punitive or exemplary damages;

25 (B) Sought as a return of premium under any retrospective rating plan; or

26 (C) Due any reinsurer, insurer, insurance pool, or underwriting association, as

27 subrogation recoveries or otherwise; provided, that a claim for any amount, asserted against a
28 person insured under a policy issued by an insurer which has become an insolvent insurer, which,
29 if it were not a claim by or for the benefit of a reinsurer, insurer, insurance pool, or underwriting
30 association, would be a “covered claim”, may be filed directly with the receiver of the insolvent
31 insurer, but in no event may any the claim be asserted against the insured of the insurer;

32 (9) “Fund” means the Rhode Island insurers’ insolvency fund created under § 27-34-6;

33 (10) “Insolvent insurer” means an insurer licensed to transact in this state any of the kinds
34 of insurance within the scope of this chapter, either at the time the policy was issued or when the

1 insured event occurred, against which an order of liquidation with a finding of insolvency has
2 been entered ~~on or after July 1, 1988,~~ by a court of competent jurisdiction in the insurer's state of
3 domicile or in this state under the provision(s) of chapter 14.3 of this title which order of
4 liquidation has not been stayed or been the subject of a writ of supersedeas or other comparable
5 order;

6 (11) "Member insurer" means any person who:

7 (i) Writes any kind of insurance to which this chapter applies, including the exchange of
8 reciprocal or interinsurance contracts; and

9 (ii) Is licensed to transact insurance in this state;

10 (12) "Net direct written premiums" means direct gross premiums written in this state on
11 insurance policies to which this chapter applies, less return premiums ~~thereon~~ on those policies
12 and dividends or unabsorbed premiums paid or credited to policyholders on the direct business.

13 "Net direct written premiums" does not include premiums on contracts between insurers or
14 reinsurers;

15 (13) "Person" means any individual, corporation, partnership, association, or voluntary
16 organization;

17 (14) "Personal lines insurance" means any insurance to which this chapter applies issued
18 for personal, family, or household purposes;

19 (15) "Pleasure craft" means watercraft, other than a seaplane on the water or a houseboat,
20 not greater than thirty-five (35) feet in length used solely for pleasure and not used for:

21 (i) Charter or hire; or

22 (ii) To carry persons or property for fee or any commercial use; and

23 (16) "Self-insured retention" means:

24 (i) Any fund or other arrangement to pay claims other than by an insurance company; or

25 (ii) Any arrangement under which an insurance company has no obligation to pay claims
26 on behalf of an insured if it is not reimbursed by the insured.

27 **27-34-7. Board of directors.** -- (a) The board of directors of the fund shall consist of not
28 less than five (5) nor more than nine (9) persons serving terms as established in the plan of
29 operation. The members of the board shall be selected by member insurers subject to the approval
30 of the commissioner. Vacancies on the board shall be filled for the remaining period of the term
31 by a majority vote of the remaining board members subject to the approval of the commissioner.
32 ~~If no members are selected within sixty (60) days after July 1, 1988, the commissioner may~~
33 ~~appoint the initial members of the board of directors.~~

(b) In approving selections to the board, the commissioner shall consider among other things whether all member insurers are fairly represented.

(c) Members of the board of directors may be reimbursed from the assets of the fund for expenses incurred by them as members of the board of directors.

27-34-8. Powers and duties of the fund. -- (a) The fund shall:

(1) Be obligated to pay covered claims existing prior to the determination of the insolvency of a member insurer or arising within sixty (60) days after the determination of the insolvency or before the policy expiration date if less than sixty (60) days after the determination of insolvency or before the insured replaces the policy or causes its cancellation if he or she does so within sixty (60) days of the determination. The obligations shall be satisfied by paying to the claimant an amount as follows:

(i) The full amount of a covered claim for benefits under a workers' compensation insurance coverage;

(ii) An amount not exceeding ten thousand dollars (\$10,000), per policy for a covered claim for the return of unearned premium;

(iii) An amount not exceeding three hundred thousand dollars (\$300,000), per claimant for all other covered claims. In no event shall the fund be obligated to pay a claimant an amount in excess of the obligation of the insolvent insurer under the policy or coverage from which the claim arises. Notwithstanding any other provision of this chapter, a covered claim shall not include any claim filed with the fund after the final date set by the court for the filing of claims against the liquidator or receiver of an insolvent insurer. The fund shall pay only that amount of each unearned premium, which is in excess of one hundred dollars (\$100);

(2) Be deemed the insurer to the extent of its obligation on the covered claims and to that extent shall have all of the rights, duties and obligations of the insolvent insurer as if the insurer had not become insolvent;

(3) Allocate claims paid and expenses incurred among the three (3) accounts separately, and assess member insurers separately for each account amounts necessary to pay the obligations of the fund under ~~subsection (a)~~ subdivision (1) of this subsection subsequent to an insolvency, the expenses of handling covered claims subsequent to an insolvency and other expenses authorized by this chapter. The assessments of each member insurer shall be in the proportion that the net direct written premiums of the member insurer for the calendar year preceding the assessment on the kinds of insurance in the account bears to the net direct written premiums of all member insurers for the calendar year preceding the assessment on the kinds of insurance in the account. Each member insurer shall be notified of the assessment not later than thirty (30) days

1 before it is due. No member insurer may be assessed in any one year on any account an amount
2 greater than two percent (2%) of that member insurer's net direct written premiums for the
3 calendar year preceding the assessment on the kinds of insurance in the account. If the maximum
4 assessment, together with the other assets of the fund in any account, does not provide in any one
5 year in any account an amount sufficient to make all necessary payments from that account, each
6 member insurer shall be assessed the additional amount that must be obtained to make all
7 necessary payments of the underfunded account from the other two accounts, subject to the same
8 limitation of two percent (2%) of that member insurer's net direct written premiums for the
9 calendar year preceding the assessment on the kinds of insurance in the account, subject to the
10 limitation that the ability to assess from different accounts to make all necessary payments from
11 any underfunded account shall lapse on December 31, 1998. The additional assessments shall be
12 considered loans by and between the separate accounts. Amounts borrowed under this subsection
13 shall be paid back to the separate accounts from which they were borrowed, out of assets,
14 including, but not limited to, existing and future assessments in the account receiving the loan. An
15 interest charge shall be levied on all amounts borrowed under this subsection based on the
16 average prime rate of interest for each year the money remains unpaid. If the amounts borrowed
17 remain unpaid on the seventh yearly anniversary as a result of the inability of the borrowing
18 account to make repayment, then the amount borrowed and interest which is not repaid, starting
19 with the principal and interest of the first year, shall be considered uncollectible. The funds
20 available shall be prorated and the unpaid portion shall be paid as soon thereafter as funds
21 become available. The fund shall pay claims in any order which it deems reasonable, including
22 the payment of claims as they are received from the claimants or in groups or categories of
23 claims. The fund may exempt or defer, in whole or in part, the assessment of any member insurer
24 if the assessment would cause the member insurer's financial statement to reflect amounts of
25 capital or surplus less than the minimum amounts required for a certificate of authority by any
26 jurisdiction in which the member insurer is authorized to transact insurance; ~~provided, however,~~
27 ~~that.~~ However, during the period of deferment, no dividends shall be paid to shareholders or
28 policyholders. Deferred assessments shall be paid when the payment will not reduce capital or
29 surplus below required minimums. The payments shall be refunded to those companies receiving
30 larger assessments by virtue of the deferment, or, at the election of any company, credited against
31 future assessments.

32 (4) Investigate claims brought against the fund and adjust, compromise, settle, and pay
33 covered claims to the extent of the fund's obligation and deny all other claims, and may review

1 settlements, releases, and judgments to which the insolvent insurer or its insureds were parties, to
2 determine the extent to which the settlements, releases, and judgments may be properly contested;

3 (5) Notify the insureds as the commissioner directs under § 27-34-10(b)(1);

4 (6) Handle claims through its employees or through one or more insurers or other persons
5 designated as servicing facilities. Designation of a servicing facility is subject to the approval of
6 the commissioner, but the designation may be declined by a member insurer;

7 (7) Reimburse each servicing facility for obligations of the fund paid by the facility and
8 for expenses incurred by the facility while handling claims on behalf of the fund and shall pay the
9 other expenses of the fund authorized by this chapter; and

10 (8) (i) ~~Within thirty (30) days after June 18, 1991~~ Obtain an irrevocable line of credit
11 agreement from each member insurer in an amount not to exceed the member insurer's maximum
12 assessment pursuant to ~~subsection (a)~~ subdivision (3) of this subsection to ensure the immediate
13 availability of funds for the purposes of future claims and expenses attributable to an insurer
14 insolvency;

15 (ii) Any amount drawn from the fund under any line of credit shall be considered a
16 payment toward the member insurer's assessment provided for in ~~subsection (a)~~ subdivision (3)
17 of this subsection;

18 (iii) The member insurer shall provide funding to the fund under the line of credit within
19 three (3) business days of receipt of a written request from the fund for a draw-down under the
20 line of credit;

21 (iv) The line of credit agreement shall be subject to prior review and approval by the
22 commissioner at the time of origination and any subsequent renewal. It shall include any
23 commercially reasonable provisions the fund or the commissioner may deem advisable, including
24 a provision that the line of credit is irrevocable or for a stated period of time and provides for
25 thirty (30) day notice to the fund and the commissioner that the line is being terminated or not
26 renewed;

27 (v) If a line of credit is not given as provided for in this section, the member insurer shall
28 be responsible for the payment of an assessment of up to the member's proportionate share of the
29 applicable maximum as set forth in this subsection which shall be paid into a pre-insolvency
30 assessment fund in each account.

31 (b) The fund may:

32 (1) Employ or retain those persons necessary to handle claims and perform other duties of
33 the fund;

(2) Borrow funds necessary to effect the purposes of this chapter in accord with the plan of operation;

(3) Sue or be sued;

(4) Negotiate and become a party to any contracts necessary to carry out the purpose of this chapter;

(5) Perform any other acts necessary or proper to effectuate the purpose of this chapter; and

(6) Refund to the member insurers in proportion to the contribution of each member insurer to that account that amount by which the assets of the account exceed the liabilities, if, at the end of any calendar year, the board of directors finds that the assets of the fund in any account exceed the liabilities of that account as estimated by the board of directors for the coming year.

27-34-9. Plan of operation. -- (a) The fund shall submit to the commissioner a plan of operation and any amendments ~~thereto~~ to the plan ~~necesssary~~ necessary or suitable to assure the fair, reasonable, and equitable administration of the fund. The plan of operation and any amendments ~~thereto~~ to it shall become effective upon approval in writing by the commissioner.

(b) If the fund fails to submit a suitable plan of operation ~~within ninety (90) days after July 1, 1988, or if at any time thereafter the fund fails to submit~~ suitable amendments to the plan, the commissioner shall, after notice and hearing, adopt and promulgate any reasonable rules necessary or advisable to effectuate the provisions of this chapter. The rules shall continue in force until modified by the commissioner or superseded by a plan or amendments ~~thereto~~ to it submitted by the fund and approved by the commissioner.

(c) All member insurers shall comply with the plan of operation.

(d) The plan of operation shall:

(1) Establish the procedures where all of the powers and duties of the fund under § 27-34-8 will be performed;

(2) Establish the procedures for handling the assets of the fund;

(3) Establish the amount and method of reimbursing members of the board of directors under § 27-34-7;

(4) Establish procedures by which claims may be filed with the fund and establish acceptable forms of proof of covered claims. Notice of claims to the receiver or liquidator of the insolvent insurer shall be deemed notice to the fund or its agent, and a list of claims shall be periodically submitted to the fund or similar organization in another state by the receiver or liquidator;

(5) Establish regular places and times for meetings of the board of directors;

(6) Establish procedures for records to be kept of all financial transactions of the fund, its agents, and the board of directors;

(7) Provide that any member insurer aggrieved by any final action or decision of the fund may appeal to the commissioner within thirty (30) days after the action or decision;

(8) Establish the procedures ~~whereby~~ by which selections for the board of directors will be submitted to the commissioner; and

(9) Contain additional provisions necessary or proper for the execution of the powers and duties of the fund.

(e) The plan of operation may provide that any or all powers and duties of the fund, except those under §§ 27-34-8(a)(3) and 27-34-8(b)(2), may be delegated to a corporation, association, or other organization which performs or will perform functions similar to those of the fund, or its equivalent, in two or more states. That corporation, association, or organization shall be reimbursed as a servicing facility would be reimbursed and shall be paid for its performance of any other functions of the fund. A delegation under this subsection shall take effect only with the approval of both the board of directors and the commissioner, and may be made only to a corporation, association, or organization which extends protection not substantially less favorable and effective than that provided by this chapter.

SECTION 62. Section 21-28.2-3 of the General Laws in Chapter 21-28.2 entitled "Drug Abuse Control" is hereby amended to read as follows:

21-28.2-3. Admission of narcotic addict on civil certification. -- A justice of the family court or a judge of the district court may certify a narcotic addict to the care and custody of the department in the following manner:

~~(1)(a)~~ Except as provided ~~hereafter~~ in this section, whenever any narcotic addict desires to obtain treatment for his or her addiction, whenever a related individual has reason to believe that any person is a narcotic addict, or whenever the director of health has reason to believe that any person is a narcotic addict, the addict, related individual, or director of health may apply for an order certifying that person to the care and custody of the department by presenting a verified petition setting forth knowledge, information, or belief that the person is a narcotic addict, together with a statement of the facts upon which that knowledge, information, or belief is based. When ~~such a~~ the petition is presented, the court may examine the petitioner, or any witness, under oath and shall determine whether there are reasonable grounds to believe that the person in whose behalf the application is made is a narcotic addict. If the court determines that there are reasonable grounds to believe that the person is a narcotic addict, and if the person is not also the petitioner, it shall issue an order in accordance with subdivision ~~(b)~~ (2) of this section; provided,

1 however, that if the court further determines that the person would not comply with ~~any such~~ the
2 order the court shall issue, in lieu of an order, a warrant in accordance with subdivision ~~(e)~~ (3) of
3 this section. When the alleged addict is the petitioner and the court determines that there are
4 reasonable grounds to believe that the person is a narcotic addict, the court shall immediately
5 proceed in accordance with subdivision ~~(d)~~ (4) of this section. The state shall be a party in all
6 proceedings pursuant to this section and shall act on the relation of the petitioner. The attorney
7 general shall represent the state.

8 ~~(2)(b)~~ (2) An order issued pursuant to this section shall direct the alleged narcotic addict to
9 appear at a specified time before the court for a determination whether there are reasonable
10 grounds to order that person to undergo a medical examination at a facility or by two (2)
11 physicians designated by the director. The court shall direct that the order and petition be served
12 upon the alleged narcotic addict personally or by registered mail and the court may further direct
13 that the order and petition be served personally or by mail upon the husband or wife, father or
14 mother, or next of kin of the alleged narcotic addict.

15 ~~(3)(e)~~ (3) A warrant issued pursuant to this section shall be directed to any police officer in
16 the state commanding the officer: (i) to take the alleged narcotic addict into custody, and (ii) to
17 bring the alleged narcotic addict ~~forthwith~~ immediately before the court for a determination
18 whether there are reasonable grounds to order him or her to undergo a medical examination at a
19 facility designated by the department. If the court is not then in session, the alleged narcotic
20 addict may be held at a facility designated by the department or at any other detention facility
21 until the court is in session. In such a case, the head of the facility or a duly appointed
22 representative shall advise the alleged addict of the nature of the proceeding, the reason for his or
23 her detention, and that he or she will appear before a judge at the next court session in connection
24 with the allegation that he or she is a narcotic addict. This person shall also inform the alleged
25 addict that he or she has the right to the aid of counsel at every stage of the proceedings, and that
26 if the person desires the aid of counsel and is financially unable to obtain counsel, counsel shall
27 be assigned by the court, and that he or she is entitled to communicate free of charge, by
28 telephone or letter, in order to obtain counsel and in order to inform a relative or friend of the
29 proceeding. ~~Such a~~ The warrant may be executed on any day including Saturdays, Sundays, and
30 holidays and the alleged narcotic addict shall not be subjected to any more restraint than is
31 necessary for the purposes specified in the warrant. The police officer shall exhibit the warrant to
32 the alleged narcotic addict, and inform the alleged addict of the purpose for which he or she is
33 being taken into custody. The officer shall not break open any outer or inner door or window of a
34 building, or any part of the building, or anything ~~therein~~ in a building, to execute the warrant

1 unless, if, after notice of the officer's authority and purpose, he or she is refused admittance. The
2 warrant must be executed within thirty (30) days after its date and if not so executed shall be
3 void.

4 ~~(4)(d)~~ Upon the appearance of the alleged narcotic addict the court shall provide the
5 alleged addict with a copy of any paper not yet served upon him or her and shall explain that, if
6 the court finds reasonable grounds to believe that the person is a narcotic addict, it shall order him
7 or her to undergo a medical examination at a facility or by two (2) physicians designated by the
8 department. The court shall then advise the alleged narcotic addict that if ~~such~~ the medical
9 examination is ordered the alleged addict shall appear before the court after ~~such~~ the examination
10 as provided in ~~subdivision (e)(1)~~ paragraph (5)(i) of this section, and, if the petition and the report
11 of the medical examination set forth reasonable grounds to believe that the person is a narcotic
12 addict, he or she may thereafter be certified to the care and custody of the department for an
13 indefinite period not exceeding three (3) years and that he or she shall have a right to a hearing
14 prior to the certification. If the alleged narcotic addict appears without counsel, the court shall
15 advise the person that he or she has the right to the aid of counsel at every stage of the
16 proceedings, and that if he or she desires the aid of counsel and is financially unable to obtain
17 counsel, then counsel shall be assigned. The court shall allow the alleged narcotic addict a
18 reasonable time to send for counsel and shall adjourn the proceedings for that purpose. The court
19 shall inform the alleged addict, if the person is being held in custody, that he or she is entitled to
20 communicate free of charge, by letter or telephone, in order to obtain counsel and in order to
21 inform a relative or friend of the proceeding. If the alleged narcotic addict does not desire the aid
22 of counsel the court must determine that the person waived counsel having knowledge of the
23 significance of his or her act. If the court is not satisfied that the alleged narcotic addict knows the
24 significance of his or her act in waiving counsel, the court shall assign counsel.

25 ~~(5)(i)(e)(1)~~ If the court, after the appearance of the alleged addict, is satisfied that there
26 are reasonable grounds to believe that the person is a narcotic addict it shall issue an order
27 directing the person to appear on a specified date and place for a medical examination in
28 accordance with § 21-28.2-4, ~~of this chapter~~. A copy of this order shall be given to the person and
29 a copy of the order and of any order or warrant issued in accordance with subdivisions ~~(b), (c), or~~
30 ~~(f)~~ (2), (3), or (6) of this section shall be furnished to the department.

31 ~~(ii)(2)~~ If the court has reason to believe that the person will fail to appear for the medical
32 examination, the order shall make provision commanding any police officer of the state to take
33 the person into custody and deliver him or her ~~forthwith~~ immediately to the place specified for the
34 medical examination.

1 ~~(iii)(3)~~ Any order issued pursuant to this ~~paragraph~~ subdivision shall direct the person to
2 appear before the court within seven (7) days, exclusive of Saturdays, Sundays, and holidays,
3 after the person's admission for the medical examination.

4 ~~(6)(f)~~ If the alleged narcotic addict fails to appear as directed by an order pursuant to this
5 section, and the court is satisfied that timely service has been made or that service cannot be
6 effected with due diligence, it may issue a warrant directed to any police officer in the state
7 commanding the officer: (i) to take the alleged narcotic addict into custody, and (ii) to bring ~~such~~
8 the alleged addict ~~forthwith~~ immediately to a specified place for a specific purpose, which shall
9 be the place and purpose specified in the order. If the warrant commands the officer to bring the
10 alleged addict to court and the court is not then in session, the alleged addict may be held at a
11 facility designated by the department or at any other detention facility until the court is in session.
12 The warrant shall be executed in the same manner and subject to the same restrictions as provided
13 in subdivision ~~(e)~~ (3) of this section.

14 SECTION 63. Sections 21-30-6 and 21-30-7 of the General Laws in Chapter 21-30
15 entitled "Drugs and Poisons Generally" are hereby amended to read as follows:

16 **21-30-6. Labeling of poisons — Registration of sales — Prescriptions.** -- No person
17 shall ~~hereafter~~ sell, either by wholesale or retail, any of the poisons enumerated in § 21-30-7,
18 without distinctly labeling the bottle, box, vessel, or paper and wrapper or cover in which the
19 poison is contained with the name of the article, the word "poison," and the name and place of
20 business of the seller; and every registered pharmacist selling or dispensing any of these poisons
21 shall first enter in a book, to be kept for that purpose only, and subject always to inspection by the
22 board of pharmacy or any officer or agent ~~thereof~~ of the board or other proper authority, and to be
23 preserved for at least five (5) years, a record of the sale or dispensing; ~~in accordance with § 21-~~
24 ~~30-8 [Repealed];~~ provided, that if any of the poisons form a part of the ingredients of any
25 medicine or medicines compounded in accordance with the written prescription of a medical
26 practitioner, the medicine need not be labeled with the word "poison"; but all prescriptions,
27 whether or not composed in part or in whole of any of these ingredients, shall be carefully kept by
28 the pharmacist on a file or in a book used for that purpose only and numbered in the order in
29 which they are received or dispensed, and every box, bottle, vial, vessel, or packet containing
30 medicines so dispensed shall be labeled with the name and place of business of the registered
31 pharmacist so dispensing the medicine, and be numbered with a number corresponding with that
32 on the original prescription retained by the pharmacist on the book or file. ~~Such~~ The prescriptions
33 shall be preserved at least five (5) years and shall be open to the inspection of the writer ~~thereof~~

of them, and a copy shall be furnished free of expense whenever demanded by either the writer or the purchaser.

21-30-7. Poisons subject to labeling and registration -- The following substances are poisons subject to labeling as provided in § 21-30-6:

- (1)(a) Arsenic and its preparations.
- (2)(b) Carbolic acid.
- (3)(c) Corrosive sublimate.
- (4)(d) Cotton root and its preparations.
- (5)(e) Cyanide of potassium.
- (6)(f) Ergot and its preparations.
- (7)(g) Hydrocyanic acid.
- (8)(h) Opium and its preparations, paregoric excepted.
- (9)(i) Oxalic acid.
- (10)(j) Savin.
- (11)(k) Strychnia.
- (12)(l) Volatile oil of bitter almonds, of pennyroyal, of savin, and of tansy.
- (13)(m) Proprietary or secret medicines recommended, sold or advertised as emmenagogues and parturients.

SECTION 64. Sections 21-31-3 and 21-31-15 of the General Laws in Chapter 21-15 entitled "Rhode Island Food, Drugs, and Cosmetics Act" are hereby amended to read as follows:

21-31-3. Prohibited acts. -- The following acts and the causing thereof of those acts within the state of Rhode Island are hereby prohibited:

- (1)(a) The manufacture, sale, or delivery, or holding or offering for sale of any food, drug, device, or cosmetic that is adulterated or misbranded.
- (2)(b) The adulteration or misbranding of any food, drug, device, or cosmetic.
- (3)(c) The receipt in commerce of any food, drug, device, or cosmetic that is adulterated or misbranded, and the delivery or proffered delivery thereof of it for pay or otherwise.
- (4)(d) The sale, delivery for sale, holding for sale, or offering for sale of any article in violation of § 21-31-12 or 21-31-16.
- (5)(e) The dissemination of any false advertisement.
- (6)(f) The refusal to permit entry or inspection, or to permit the taking of a sample, as authorized by § 21-31-21.
- (7)(g) The giving of a guaranty of undertaking which guaranty or undertaking is false, except by a person who relied on a guaranty or undertaking to the same effect signed by, and

1 containing the name and address of, the person residing in the state of Rhode Island from whom
2 he received in good faith the food, drug, device, or cosmetic.

3 ~~(8)(h)~~ The removal or disposal of a detained or embargoed article in violation of § 21-31-
4 6.

5 ~~(9)(i)~~ The alteration, mutilation, destruction, obliteration, or removal of the whole or any
6 part of the labeling of, or the doing of any other act with respect to, a food, drug, device, or
7 cosmetic, if that act is done while the article is held for sale and results in the article's being
8 adulterated or misbranded.

9 ~~(10)(j)~~ Forging, counterfeiting, simulating, or falsely representing, or without proper
10 authority using, any mark, stamp, tag, label, or other identification device authorized or required
11 by regulations promulgated under the provisions of this chapter.

12 ~~(11)(k)~~ The using, on the labeling of any drug or in any advertisement relating to the
13 drug, of any representation or suggestion that any application with respect to the drug is effective
14 under § 21-31-16, or that the drug complies with the provisions of that section.

15 ~~(12)(i)(1)-(1) No person shall possess~~ The possession of any habit-forming, toxic,
16 harmful, or new drug subject to § ~~21-31-15(k)(1)~~ 21-31-15(a)(11)(i) unless the possession of that
17 drug has been obtained by a valid prescription of a practitioner licensed by law to administer ~~such~~
18 those drugs; provided, that the provisions of this subdivision shall not be applicable to the
19 delivery of ~~such~~ those drugs to persons included in any of the classes named below, or to the
20 agents or employees of these persons, for use in the usual course of their official duties, as the
21 case may be; or to the possession of ~~such~~ those drugs by these persons or their agents or
22 employees for that use: (A) pharmacists; (B) practitioners; (C) persons who procure ~~such~~ the
23 drugs for disposition by or under the supervision of pharmacists or practitioners employed by
24 them or for the purpose of lawful research, teaching, or testing, and not for resale; (D) hospitals or
25 other institutions which procure ~~such~~ the drugs for lawful administration by practitioners; (E)
26 officers or employees of federal, state, or local governments; (F) manufacturers and wholesalers
27 lawfully engaged in selling ~~such~~ those drugs to authorized persons; and (G) common carriers and
28 ~~warehousemen~~ warehouse operators while engaged in lawfully transporting or storing ~~such~~ the
29 drugs for authorized persons.

30 ~~(ii)(2)~~ The possession of a drug under ~~subdivision (1)(1)~~ paragraph (i) of this ~~section~~
31 subdivision not properly labeled to indicate that possession is by a valid prescription of a
32 practitioner licensed by law to administer the drug by any person not exempted under this chapter
33 shall be prima facie evidence that the possession is unlawful; provided, that the provisions of this
34 paragraph shall not be applicable where a portion of the whole amount of a drug lawfully

1 obtained under the provisions of this chapter not in excess of an amount sufficient to meet the
2 medical requirements of the patient in any twenty-four (24) consecutive hours, as indicated in the
3 directions for use by the practitioner prescribing or dispensing the drug, is possessed in a
4 container to suit the convenience of the patient.

5 ~~(13)(m)~~ The sale of all unprocessed and/or uncooked fish, shellfish, and scallops by retail
6 markets and other retailers without a label indicating whether the fish, shellfish, or scallops have
7 ever been frozen.

8 ~~(14)(n)~~ The making, issuing, or uttering of any false or forged prescription.

9 ~~(15)(o)~~ The processing or selling or holding for sale of any “distressed merchandise” in
10 this state without a permit from the director of health.

11 ~~(16)(p)~~ The holding, selling, or offering for sale of any food (or drug) which has been
12 condemned or voluntarily disposed of by action of the director of health.

13 ~~(17)(q)~~ Use of the term “native” unless used as defined in § 21-31-2. The retail consumer
14 has a right to know and the retailer shall provide upon request the origin of nonnative uncooked
15 and/or unprocessed shellfish and/or scallops.

16 **21-31-15. Misbranded drug or device.** -- (a) A drug or device shall be deemed
17 to be misbranded:

18 ~~(1)(a)~~ If its labeling is false or misleading in any particular.

19 ~~(2)(b)~~ If in package form unless it bears a label containing: ~~(i)(4)~~ the name and place of
20 business of the manufacturer, packer, or distributor; and ~~(ii)(2)~~ an accurate statement of the
21 quantity of the contents in terms of weight, measure, or numerical count; provided, that under
22 ~~clause (2)~~ paragraph (ii) of this subdivision reasonable variations shall be permitted, and
23 exemptions as to small packages shall be established, by regulations prescribed by the director of
24 health.

25 ~~(3)(c)~~ If any word, statement, or other information required by or under authority of this
26 chapter to appear on the label or labeling is not prominently placed ~~thereon~~ on it with such
27 conspicuousness (as compared with other words, statements, designs, or devices in the labeling)
28 and in such terms as to render it likely to be read and understood by the ordinary individual under
29 customary conditions of purchase and use.

30 ~~(4)(d)~~ If it is for use by humans and contains any quantity of the narcotic or hypnotic
31 substance alpha-eucaine, barbituric acid, betaeucaine, bromal, cannabis, carbromal, chloral, coca,
32 cocaine, codeine, heroin, marihuana, morphine, opium, paraldehyde, peyote, or sulphonmethane,
33 or any chemical derivative of ~~such a substance~~ any of those substances, which derivative has been
34 by the director of health after investigation found to be, and by regulations under this chapter

1 designated as, habit forming, unless its label bears the name and quantity of the proportion of the
2 substance or derivative and in juxtaposition ~~therewith~~ with it the statement "Warning - May be
3 habit forming."

4 ~~(5)(e)~~ If it is a drug and is not designated solely by a name recognized in an official
5 compendium unless its label bears: ~~(i)(4)~~ (i) the common or usual name of the drug, if such there be;
6 and ~~(ii)(2)~~ (ii) in case it is fabricated from two or more ingredients, the common or usual name of
7 each active ingredient, including the kind and quantity or proportion of any alcohol, and also
8 including, whether active or not, the name and quantity or proportion of any bromides, ether,
9 chloroform, acetanilid, acetphenetidin, amidopyrine, anti-pyrine, atropine, hysoeine,
10 hyoscyamine, arsenic, digitalis, glucosides, mercury, ouabain, strophanthin, strychnine, thyroid,
11 or any derivative or preparation of ~~any such~~ those substances contained ~~therein~~ in it; provided,
12 that to the extent that compliance with the requirements of ~~clause (2)~~ paragraph (ii) of this
13 subdivision is impracticable, exemptions shall be established by regulations promulgated by the
14 director of health.

15 ~~(6)(f)~~ Unless its labeling bears: ~~(i)(4)~~ (i) adequate directions for use; and ~~(ii)(2)~~ (ii) ~~such~~
16 adequate warnings against use in those pathological conditions or by children where its use may
17 be dangerous to health, or against unsafe dosage or methods or duration of administration or
18 application, in ~~such~~ the manner and form as that are necessary for the protection of users;
19 provided, that where any requirement of ~~clause (4)~~ paragraph (i) of this subdivision, as applied to
20 any drug or device, is not necessary for the protection of the public health, the director of health
21 shall promulgate regulations exempting the drug or device from those requirements.

22 ~~(7)(g)~~ If it purports to be a drug the name of which is recognized in an official
23 compendium, unless it is packaged and labeled as prescribed ~~therein~~ in the compendium;
24 provided, that the method of packing may be modified with the consent of the director of health.
25 Whenever a drug is recognized in both the United States Pharmacopoeia and the Homeopathic
26 Pharmacopoeia of the United States, it shall be subject to the requirements of the United States
27 Pharmacopoeia with respect to packaging and labeling unless it is labeled and offered for sale as a
28 homeopathic drug, in which case it shall be subject to the provisions of the Homeopathic
29 Pharmacopoeia of the United States, and not to those of the United States Pharmacopoeia.

30 ~~(8)(h)~~ If it has been found by the director of health to be a drug liable to deterioration,
31 unless it is packaged in ~~such~~ the form and manner, and its label bears a statement of ~~such~~ the
32 precautions, as that the director of health shall by regulations require as necessary for the
33 protection of public health. No ~~such~~ regulation shall be established for any drug recognized in an
34 official compendium until the director of health shall have informed the appropriate body charged

1 with the revision of the compendium of the need for ~~such~~ packaging or labeling requirements and
2 that body shall have failed within a reasonable time to prescribe ~~such~~ those requirements.

3 ~~(9)(4)~~ If: ~~(i)(4)~~ If it is a drug and its container is so made, formed, or filled as to be
4 misleading; ~~or (ii)(2)~~ if it is an imitation of another drug; or ~~(iii)(3)~~ if it is offered for sale under
5 the name of another drug.

6 ~~(10)(4)~~ If it is dangerous to health when used in the dosage, or with the frequency or
7 duration prescribed, recommended, or suggested in its labeling.

8 ~~(11)(i)(4)~~ (1) A drug intended for use by humans which: (A) is a habit forming drug to
9 which subdivision ~~(4)~~ (a)(4) of this section applies; ~~or~~ (B) because of its toxicity or the potential
10 for harmful effect, or the method of its use, or the collateral measures necessary to its use, is not
11 safe for use except under the supervision of a practitioner licensed by law to administer that
12 drug; ~~or~~ (C) is limited by an effective application under § 21-31-16 to use under the professional
13 supervision of a practitioner licensed by law to administer that drug shall be dispensed only:
14 ~~(I)(4)~~ upon a written prescription of a practitioner licensed by law to administer the drug, ~~or~~
15 ~~(II)(2)~~ upon an oral prescription of the practitioner which is reduced promptly to writing and filed
16 by the pharmacist, or ~~(III)(3)~~ by refilling any ~~such~~ written or oral prescription if the refilling is
17 authorized by the prescriber either in the original prescription or by oral order which is reduced
18 promptly to writing and filed by the pharmacist. The act of dispensing a drug contrary to the
19 provisions of this subdivision shall be deemed to be an act which results in the drug being
20 misbranded while held for sale.

21 ~~(ii)(2)~~ The director of health may by regulation remove drugs subject to subdivision ~~(4)~~
22 (a)(4) of this section and § 21-31-16 from the requirements of ~~subdivision (k)(1)~~ paragraph (i) of
23 this subdivision when ~~such~~ those requirements are not necessary for the protection of the public
24 health.

25 ~~(iii)(3)~~ A drug which is subject to ~~subdivision (k)(1)~~ paragraph (i) of this subdivision
26 shall be deemed to be misbranded if at any time prior to dispensing its label fails to bear the
27 statement "Caution: Federal law prohibits dispensing without prescription." A drug to which
28 ~~subdivision (k)(1)~~ paragraph (i) of this subdivision does not apply shall be deemed to be
29 misbranded if at any time prior to dispensing its label bears the caution statement quoted in the
30 preceding sentence.

31 ~~(iv)(4)~~ No prescription for any of the drugs described ~~above~~ in this subdivision shall be
32 refilled if marked "non-repeat" or "N.R."

33 ~~(12)(m)~~ If it is a drug and its packaging or labeling is in violation of an applicable
34 regulation issued pursuant to § 23-24.1-3 or 23-24.1-4 of the Poison Prevention Packaging Act.

1 (b)(1) ~~(4)-(1)~~ Any drug dispensed by filling or refilling a written or oral prescription of a
2 practitioner licensed by law to prescribe ~~such~~ the drug, and any drug dispensed to an ultimate user
3 by a practitioner, shall be exempt from the requirements of this section except subdivisions (a)(1),
4 (9), and (11) of this section, ~~(i), and (k)~~, and the packaging requirements of subdivisions ~~(g), (h),~~
5 ~~and (m)~~ (a)(7), (8), and (12) of this section, if the drug bears a label containing the name and
6 address of the dispenser, the serial number and date of the prescription or of its filling, the name
7 of the prescriber, and, if stated in the prescription, the name of the patient, and the directions for
8 use and cautionary statements, if any, contained in the prescription. When a practitioner
9 prescribes a drug by brand name, oral or written, ~~he/she~~ he or she shall, in each prescription,
10 authorize a less expensive generic equivalent drug product by signing the prescription. If in the
11 professional judgment of the prescribing practitioner the brand name is medically necessary, the
12 practitioner shall write in ~~his/her~~ his or her own handwriting in a designated box, “Brand name
13 necessary” on the prescription form. This exemption shall not apply to any drug dispensed in
14 violation of ~~subdivision (k)(1)~~ paragraph (a)(11)(i) of this section.

15 (2)~~(A)~~ When dispensing a generic drug product, the word “INTERCHANGE” or the
16 letters “IC” must appear on the label followed by the generic name and manufacturer, and/or
17 distributor, of the chosen product.

18 (3)~~(B)~~ The requirements of ~~(A)~~ subdivision (2) of this subsection only apply to single
19 entity, multiple-source drugs.

20 (3)~~(C)~~ When dispensing a single entity, single source drug, the trade name of the
21 prescribed drug will also appear on the label, and the generic name of the prescribed drug may
22 also appear on the label.

23 (4)~~(D)~~ When dispensing a fixed combination product, the United States Pharmacopoeia’s
24 publication of Pharmacy Equivalent Names (PEN Names) for fixed combination products is the
25 official list of abbreviations for ~~such~~ that labeling, and will be the approved abbreviation for
26 identifying the combination product dispensed. If no PEN name has been officially issued by the
27 USP, the practitioner or pharmacist will label the medication secundum artem.

28 (5)~~(E)~~ ~~Subsections (A) — (D)~~ Subdivisions (2) — (4) of this subsection apply in all cases
29 of dispensing by practitioners or pharmacists.

30 (6)~~(2)~~ Nothing in this section shall be construed to relieve any person from any
31 requirement prescribed by or under authority of law with respect to drugs now included or which
32 may ~~hereafter~~ subsequently be included within the classifications stated in chapters 28 and 30 of
33 this title.

SECTION 65. Section 21-31.1-5 of the General Laws in Chapter 21-31.1 entitled
“Veterinary Drugs” is hereby amended to read as follows:

21-31.1-5. Requirements for permit. -- Any veterinary drug distributor except licensed
veterinarians intending to operate in the state of Rhode Island ~~after June 2, 1988,~~ shall be required
to have a permit before commencing operations, ~~except any distributor already operating on June~~
~~2, 1988, shall apply for a permit within 90 days after June 2, 1988. Pending receipt of a permit or~~
~~denial of a permit under § 21-31.1-6 of this chapter such operations may continue.~~

SECTION 66. Section 21-33-5 of the General Laws in Chapter 21-33 entitled “Packaged
Bakery Products” is hereby amended to read as follows:

21-33-5. Construction with other laws. -- Nothing contained in this chapter shall
be construed to authorize any act ~~heretofore~~ otherwise prohibited under any other ~~chapter~~
provision of the general laws.

SECTION 67. Section 22-3-12 of the General Laws in Chapter 22-3 entitled
“Organization of General Assembly” is hereby amended to read as follows:

22-3-12. Legislative manual. -- The secretary of state shall prepare in each odd-
numbered year a legislative manual for the use of the general assembly, containing the rolls of
membership, the committees, the rules and orders, ~~thereof,~~ and ~~such~~ any other matter ~~as that~~ the
secretary may think proper. The number of manuals to be printed and bound will be determined
by the secretary of state. Ten (10) copies shall be distributed to each of the senators and
representatives of the general assembly; forty (40) copies shall be placed at the disposal of the
governor; and the remainder shall be placed in the hands of the secretary of state. There shall be
appropriated in each odd numbered year, an amount sufficient to cover the cost of printing and
binding of ~~said~~ the manual. ~~The secretary of state is hereby authorized to distribute all remaining~~
~~copies of the 1989-90 Rhode Island Manual to Rhode Island public schools and public libraries at~~
~~no cost.~~

SECTION 68. Section 22-7-1 of the General Laws in Chapter 22-7 entitled “Joint
Committee on Accounts and Claims” is hereby amended to read as follows:

22-7-1. Permanent committee — Composition. [Effective until January 7, 2003.] --
The joint committee on accounts and claims, ~~heretofore~~ previously created under joint rules of the
senate and the house of representatives, shall consist of four (4) members of the senate to be
appointed by the majority leader of the senate and five (5) members of the house of
representatives to be appointed by the speaker, ~~and is hereby created a~~ as the permanent joint
committee on accounts and claims of the general assembly. The members of this joint committee

on accounts and claims shall serve until their successors shall be duly appointed as provided
~~below in this chapter~~ and until the successors shall have been duly qualified.

22-7-1. Permanent committee — Composition. [Effective January 7, 2003.] --

The joint committee on accounts and claims, ~~heretofore previously~~ created under joint rules of the senate and the house of representatives, shall consist of four (4) members of the senate to be appointed by the president of the senate and five (5) members of the house of representatives to be appointed by the speaker, and is hereby created ~~a~~ as the permanent joint committee on accounts and claims of the general assembly. The members of this joint committee on accounts and claims shall serve until their successors shall be duly appointed as provided ~~below in this chapter~~ and until the successors shall have been duly qualified.

SECTION 69. Section 22-7.8-1 of the General Laws in Chapter 22-7.8 entitled “Permanent Joint Committee on Veterans’ Affairs” is hereby amended to read as follows:

22-7.8-1. Permanent committee — Composition. [Effective until January 7, 2003.] --

There is hereby created a permanent joint committee of the general assembly on veterans’ affairs to consist of fifteen (15) members of the general assembly, eight (8) of whom shall be from the house of representatives to be appointed by the speaker, not more than five (5) of whom shall be from the same political party; seven (7) of whom shall be from the senate to be appointed by the majority leader of the senate, not more than five (5) of whom shall be from the same political party. Vacancies shall be filled in like manner as the original appointments. The members of the joint committee on veterans’ affairs shall serve so long as they shall remain members of the house from which they were appointed and until their successors are duly appointed and qualified. The ~~initial chairmanship~~ chairpersonship of the committee shall ~~be filled from among the members of the house of representatives serving on the committee and thereafter the chairmanship shall~~ alternate biennially from the senate to the house.

22-7.8-1. Permanent committee -- Composition. [Effective January 7, 2003.] -- There

is hereby created a permanent joint committee of the general assembly on veterans' affairs to consist of fifteen (15) members of the general assembly, eight (8) of whom shall be from the house of representatives to be appointed by the speaker, not more than five (5) of whom shall be from the same political party; seven (7) of whom shall be from the senate to be appointed by the president of the senate, not more than five (5) of whom shall be from the same political party. Vacancies shall be filled in like manner as the original appointments. The members of the joint committee on veterans' affairs shall serve so long as they shall remain members of the house from which they were appointed and until their successors are duly appointed and qualified. The initial ~~chairmanship~~ chairpersonship of the committee shall ~~be filled from among the members of the~~

1 ~~house of representatives serving on the committee and thereafter the chairmanship shall alternate~~
2 biennially from the senate to the house.

3 SECTION 70. Section 22-7.9-1 of the General Laws in Chapter 22-7.9 entitled
4 “Permanent Joint Committee on Economic Development” is hereby amended to read as follows:

5 **22-7.9-1. Permanent committee — Composition. [Effective until January 7, 2003.] --**

6 There is ~~hereby~~ created a permanent joint committee of the general assembly on economic
7 development to consist of eleven (11) members of the general assembly, five (5) of whom shall
8 be from the senate to be appointed by the majority leader of the senate not more than three (3) of
9 whom shall be from the same political party, and six (6) of whom shall be from the house of
10 representatives to be appointed by the speaker of the house of representatives not more than four
11 (4) of whom shall be from the same political party. The selection of the chairperson, vice-
12 chairperson, and secretary of the committee shall alternate biennially between the majority leader
13 of the senate and the speaker of the house as set forth in this chapter.

14 **22-7.9-1. Permanent committee — Composition. [Effective January 7, 2003.]**

15 ~~--~~ There is ~~hereby~~ created a permanent joint committee of the general assembly on
16 economic development to consist of eleven (11) members of the general assembly, five
17 (5) of whom shall be from the senate to be appointed by the ~~majority leader~~ president of
18 the senate not more than three (3) of whom shall be from the same political party, and six
19 (6) of whom shall be from the house of representatives to be appointed by the speaker of
20 the house of representatives not more than four (4) of whom shall be from the same
21 political party. The selection of the chairperson, vice-chairperson, and secretary of the
22 committee shall alternate biennially between the majority leader of the senate and the
23 speaker of the house as set forth in this chapter.

24 SECTION 71. Section 22-7.9-2 of the General Laws in Chapter 22-7.9 entitled
25 “Permanent Joint Committee on Economic Development” is hereby repealed in its
26 entirety.

27 ~~**22-7.9-2. Selection of officers.** — The first chairperson and secretary of the~~
28 ~~committee shall be selected by the majority leader of the senate. Thereafter The selection~~
29 ~~of the chairperson and secretary shall be made by the speaker of the house and shall~~
30 ~~alternate biennially between the speaker of the house and the majority leader of the~~
31 ~~senate. The first vice chairperson of the committee shall be selected by the speaker of the~~
32 ~~house. Thereafter The selection of the vice chairperson shall be made by the majority~~

1 ~~leader of the senate, and shall alternate biennially between the majority leader of the~~
2 ~~senate and the speaker of the house of representatives.~~

3 SECTION 72. section 22-11-3.1 of the General Laws in Chapter 22-11 entitled
4 “Joint Committee on Legislative Services” is hereby amended to read as follows:

5 **22-11-3.1. Rules and regulations.** -- (a) The joint committee on legislative services is
6 ~~hereby~~ authorized and empowered to adopt ~~such~~ any rules and regulations ~~as~~ that are deemed
7 necessary to accomplish the purposes of this chapter, a copy of which rules and regulations shall
8 be filed with the secretary of state and available for public inspection; provided, however, that
9 each permanent and continuing office or agency within the legislative department, established by
10 statute and to which funds are specifically appropriated, will maintain and be responsible for
11 exercising its own internal financial and personnel controls. In the formation of these rules and
12 regulations, the joint committee shall take into consideration and conform to, where practicable,
13 existing policies governing financial and personnel practices within the executive branch of
14 government.

15 (b) The joint committee on legislative services is ~~hereby~~ authorized and empowered to
16 adopt rules and regulations, consistent with the rules of each house of the general assembly,
17 designed to provide electronic services and products to its elected members and, incrementally, to
18 make electronic services and products regarding its proceedings available to the citizens of this
19 state. ~~commencing with the January Session 1996.~~ The joint committee on legislative services
20 shall prioritize general assembly proceedings and legislative information to be made
21 incrementally accessible in a timely manner, including:

22 (1) A list of all members of the general assembly with their addresses and telephone
23 numbers and all committees of the general assembly and their members;

24 (2) The history and status of every bill introduced and amended in each current legislative
25 session;

26 (3) The current calendars of the house and the senate and of all legislative committees;

27 (4) The text of every bill introduced and to be printed in the current legislative session,
28 including the amended or substitute form of each bill, and the text of every bill as enacted;

29 (5) The ~~Rhode Island~~ general laws;

30 (6) The Rhode Island Constitution; and

31 (7) The senate and house journals;

32 (c) It shall be solely and exclusively within the discretion of the joint committee on
33 legislative services, when providing access, to include and require, in written contracts for
34 electronic services and products, provisions that:

- 1 (1) Protect the security and integrity of the information system of the general assembly;
- 2 (2) Limit any potential liability of the general assembly in providing public access to
- 3 electronic services and products;
- 4 (3) Ensure that access of non-disclosable information is prohibited;
- 5 (4) Provide protection against intentional or accidental disclosure, modification, or
- 6 destruction of records.

7 SECTION 73. Section 22-13-9 of the General Laws in Chapter 22-13 entitled “Auditor

8 General” is hereby amended to read as follows:

9 **22-13-9. Access to executive sessions of a public agency — Access to records**

10 **— Disclosure by the auditor general. --** (a) Whenever a public agency goes into

11 executive session, the auditor general or his or her designated representative shall be

12 permitted to attend the executive session or if the auditor general or his or her designee is

13 not in attendance at the executive session, the auditor general or his or her designee, upon

14 written request, shall be furnished with copies of all data or materials furnished to the

15 members of the public agency at the executive session. If the auditor general or his or her

16 designee attends the executive session, the auditor general shall be furnished the same

17 data in the same form and at the same time as members of the public agency.

18 (b) Within three (3) working days of a written request by the auditor general, the public

19 agency shall furnish a copy, whether approved by the agency or not, of the minutes of any

20 meeting, including any executive session of the public agency.

21 (c) The auditor general shall have full and unlimited access to any and all records of any

22 public agency, in whatever form or mode the records may be, unless the auditor general’s access

23 to ~~such the~~ records is specifically prohibited or limited by federal or state law. In no case shall

24 any confidentiality provisions of state law be construed to restrict the auditor general’s access to

25 ~~such the~~ records; provided, however, the auditor general’s access to any confidential data shall

26 not in any way change the confidential nature of the data obtained. Where an audit or

27 investigative finding emanates from confidential data, specific confidential information will not

28 be made public. ~~Such The~~ records shall include those in the immediate possession of a public

29 agency as well as records which the agency itself has a right to. In the event of a dispute between

30 the agency involved and the auditor general as to whether or not the data involved are

31 confidential by law, the matter will be referred to the attorney general for resolution.

32 (d)(1) If in the course of an executive session any fact comes to the attention of the

33 auditor general or his or her designated representative, which in his or her judgment constitutes an

1 impropriety, irregularity, or illegal transaction, or points to the onset of an impropriety or illegal
2 transaction, then the auditor general shall disclose that information to the joint committee on
3 legislative services, the director of administration, and the chairperson of the public agency
4 involved. Where the facts or the data upon which the facts are based are deemed confidential
5 pursuant to the provisions of federal or state law, the auditor general's access to the information
6 shall not in any way change the confidential nature of the data obtained.

7 (2) In the event of a dispute between the agency involved and the auditor general as to
8 whether or not the data involved are confidential by law, the matter will be referred to the
9 attorney general for resolution.

10 (e) The auditor general or his or her designated representative shall be immune from any
11 liability to any party for claims arising out of disclosure authorized by this section.

12 (f) For the purposes of this section, the phrase "public agency" shall include the
13 following: the Rhode Island industrial building authority, the Rhode Island recreational building
14 authority, the Rhode Island port authority and economic development corporation, the Rhode
15 Island industrial facilities corporation, the Rhode Island ~~public buildings~~ refunding bond
16 authority, the Rhode Island housing and mortgage finance corporation, the Rhode Island ~~solid~~
17 ~~waste management~~ resource recovery corporation, the Rhode Island public transit authority, the
18 Rhode Island student loan authority, ~~the Howard development corporation~~, the water resources
19 board, the Rhode Island health and educational building corporation, the Rhode Island higher
20 education assistance authority, the Rhode Island turnpike and bridge authority, ~~the Blackstone~~
21 ~~Valley district commission~~, the Narragansett Bay ~~water quality management district~~ commission,
22 Rhode Island public telecommunications authority, the convention center authority, channel 36
23 foundation, their successors and assigns, and any other body corporate and politic which has been
24 ~~here before~~ or which is ~~hereinafter~~ subsequently created or established within this state.

25 SECTION 74. Sections 22-14-2 and 22-14-11 of the General Laws in Chapter 22-14
26 entitled "Legislative Oversight Commission" are hereby amended to read as follows:

27 **22-14-2. Quorum — Meetings.** -- Six (6) members of the commission shall
28 constitute a quorum for the transaction of any business. Meetings of the commission may
29 be held at any time or place upon call of any member, after a reasonable notice by mail ~~or~~
30 ~~telegraph~~ to the other members, and shall be held at ~~such~~ the times and places as in the
31 judgment of the commission will best serve the convenience of all parties in interest.

32 **22-14-11. Legislative action.** -- ~~From and after May 13, 1977,~~ Whenever the
33 general assembly is about to create or re-create any statutory entity it should, whenever

1 possible, request a report from the commission as set forth in § 22-14-7; ~~of this chapter;~~
2 however, no ~~such~~ report is required to be received by the general assembly for any action
3 to be taken, and nothing in this chapter shall be construed to prohibit the legislature from
4 terminating an entity covered by these provisions at a date earlier than that provided
5 ~~herein in this chapter~~, nor to prohibit the legislature from considering any other
6 legislation relative to ~~such an~~ that entity.

7 SECTION 75. Sections 22-14-5.1 and 22-14-9 of the General Laws in Chpater
8 22-14 entitled “Legislative Oversight Commission” are hereby repealed in their entirety.

9 **22-14-5.1. Termination of statutory entity.** ~~— (a) The legislative authority for~~
10 ~~the existence of the statutory entity listed below as defined in § 22-14-4 shall cease as of~~
11 ~~June 30, 1990:~~

12 ~~Litter and recycling advisory council created by § 37-15-4.~~

13 ~~(b) Notwithstanding any other reporting requirements of this chapter, the auditor~~
14 ~~general’s report shall be submitted on or before September 1, 1989 and the commission~~
15 ~~report shall be submitted on or before March 1, 1990.~~

16 **22-14-9. Reestablishment.** ~~— The life of each entity or statute scheduled for~~
17 ~~termination under the provisions of § 22-14-5.1 may be continued or reestablished by~~
18 ~~action of the general assembly.~~

19 ~~CHAPTER 17~~
20 ~~COMMISSION ON VEHICLE EMISSIONS~~

21
22 SECTION 76. Sections 22-17-1, 22-17-2, 22-17-3, 22-17-4 and 22-17-5 of the General
23 Laws in Chapter 22-17 entitled “Commission on Vehicle Emissions” are hereby repealed in their
24 entirety.

25 **22-17-1. Legislative findings.** ~~— The general assembly hereby finds and declares~~
26 ~~that:~~

27 ~~(1) Poor air quality has an adverse effect on the health of all Rhode Island residents,~~
28 ~~particularly the elderly and those with respiratory ailments;~~

29 ~~(2) Poor air quality contributes to acid rain problems and has adverse effects on the water~~
30 ~~and land as well as doing damage to the food chain and aquatic life;~~

31 ~~(3) Poor air quality exacerbates the deterioration of our buildings, structures, roads,~~
32 ~~bridges and parks;~~

33 ~~(4) National legislative efforts are being pursued to strengthen requirements to improve~~
34 ~~air quality;~~

1 ~~(5) Auto emissions account for a substantial amount of air pollution problems in the~~
2 ~~northeastern part of the country;~~

3 ~~(6) Nationally, as much as thirty percent (30%) of auto emissions systems have been~~
4 ~~tampered with;~~

5 ~~(7) There is a need to improve Rhode Island's capabilities in complying with more~~
6 ~~rigorous auto emissions inspections and standards.~~

7 ~~**22-17-2. Establishment Purpose Membership. [Effective until January**~~
8 ~~**7, 2003.]**~~ (a) ~~There is hereby established a commission on vehicle emissions~~

9 ~~empowered to study and investigate the adverse effect on air quality of vehicle emissions.~~

10 ~~The study and investigation shall include, but not be limited to, the following:~~

11 ~~(1) The state's current system of testing auto emissions, including the technical and~~
12 ~~administrative needs for improving that system;~~

13 ~~(2) The quantity and quality of service stations now performing the testing services;~~

14 ~~(3) Enforcement efforts under the current testing system;~~

15 ~~(4) The feasibility of tying motor vehicle registrations to emissions testing;~~

16 ~~(5) Compensation of service stations performing the testing service;~~

17 ~~(6) The feasibility of adopting and improving upon the emissions checks systems used in~~
18 ~~other states and the costs thereof of those systems.~~

19 ~~(b) The commission shall consist of seventeen (17) members all of whom shall be~~
20 ~~citizens and residents of the state; four (4) of whom shall be members of the house of~~
21 ~~representatives, not more than three (3) from the same political party, to be appointed by the~~
22 ~~speaker; three (3) of whom shall be members of the senate, not more than two (2) from the same~~
23 ~~political party, to be appointed by the majority leader; two (2) of whom shall be members of~~
24 ~~nonprofit organizations dealing with air pollution and/or health issues, one to be appointed by the~~
25 ~~speaker of the house and one to be appointed by the senate majority leader; one member of a~~
26 ~~service station organization to be appointed by the speaker of the house; one member of an~~
27 ~~automobile dealers organization to be appointed by the speaker of the house; one person from~~
28 ~~higher education to be appointed by the senate majority leader; the director of the department of~~
29 ~~transportation, or his or her designee; the director of the department of health or his or her~~
30 ~~designee; the director of the department of environmental management, or his or her designee; the~~
31 ~~superintendent of state police, or his or her designee; and the attorney general, or his or her~~
32 ~~designee.~~

33 ~~(c) The legislative members shall serve so long as they shall remain members of the~~
34 ~~house from which they were appointed and until their successors are appointed and qualified; the~~

1 ~~directors of the department of transportation, health and environmental management, the~~
2 ~~superintendent of state police and the attorney general shall serve so long as they hold office and~~
3 ~~until their successors are appointed and qualified; all other members shall serve at the pleasure of~~
4 ~~the appointing authority and until their successors are appointed and qualified.~~

5 ~~(d) Any vacancy on the commission shall be filled by the appointing authority in the~~
6 ~~same manner as the original appointment.~~

7 ~~(e) The members shall annually elect, by majority vote, one of their members as~~
8 ~~chairperson, one of their members as vice chairperson and one of their members as secretary.~~

9 **22-17-2. Establishment — Purpose — Membership. [Effective January 7, 2003.]** (a)

10 ~~There is hereby established a commission on vehicle emissions empowered to study and~~
11 ~~investigate the adverse effect on air quality of vehicle emissions. The study and investigation~~
12 ~~shall include, but not be limited to, the following:~~

13 ~~(1) The state's current system of testing auto emissions, including the technical and~~
14 ~~administrative needs for improving that system;~~

15 ~~(2) The quantity and quality of service stations now performing the testing services;~~

16 ~~(3) Enforcement efforts under the current testing system;~~

17 ~~(4) The feasibility of tying motor vehicle registrations to emissions testing;~~

18 ~~(5) Compensation of service stations performing the testing service;~~

19 ~~(6) The feasibility of adopting and improving upon the emissions checks systems used in~~
20 ~~other states and the costs thereof of those systems.~~

21 ~~(b) The commission shall consist of seventeen (17) members all of whom shall be~~
22 ~~citizens and residents of the state; four (4) of whom shall be members of the house of~~
23 ~~representatives, not more than three (3) from the same political party, to be appointed by the~~
24 ~~speaker; three (3) of whom shall be members of the senate, not more than two (2) from the same~~
25 ~~political party, to be appointed by the president of the senate; two (2) of whom shall be members~~
26 ~~of nonprofit organizations dealing with air pollution and/or health issues, one to be appointed by~~
27 ~~the speaker of the house and one to be appointed by the president of the senate; one member of a~~
28 ~~service station organization to be appointed by the speaker of the house; one member of an~~
29 ~~automobile dealers organization to be appointed by the speaker of the house; one person from~~
30 ~~higher education to be appointed by the president of the senate; the director of the department of~~
31 ~~transportation, or his or her designee; the director of the department of health or his or her~~
32 ~~designee; the director of the department of environmental management, or his or her designee; the~~
33 ~~superintendent of state police, or his or her designee; and the attorney general, or his or her~~
34 ~~designee.~~

1 ~~(c) The legislative members shall serve so long as they shall remain members of the~~
2 ~~house from which they were appointed and until their successors are appointed and qualified; the~~
3 ~~directors of the department of transportation, health and environmental management, the~~
4 ~~superintendent of state police and the attorney general shall serve so long as they hold office and~~
5 ~~until their successors are appointed and qualified; all other members shall serve at the pleasure of~~
6 ~~the appointing authority and until their successors are appointed and qualified.~~

7 ~~(d) Any vacancy on the commission shall be filled by the appointing authority in the~~
8 ~~same manner as the original appointment.~~

9 ~~(e) The members shall annually elect, by majority vote, one of their members as~~
10 ~~chairperson, one of their members as vice chairperson and one of their members as secretary.~~

11 ~~**22-17-3. Technical assistance.** The commission on vehicle emissions shall,~~
12 ~~with the approval of the chairperson of the joint committee on legislative services,~~
13 ~~contract for those technical services it shall require to effectuate its purpose which are~~
14 ~~otherwise unavailable to the commission.~~

15 ~~All departments and agencies of the state shall furnish such any advice and information,~~
16 ~~documentary and otherwise, to said the commission and its agents as that is deemed necessary or~~
17 ~~desirable by the commission to facilitate the purposes of this chapter.~~

18 ~~**22-17-4. Reports and recommendations.** -- The commission on vehicle emission shall~~
19 ~~from time to time and at least annually report to the general assembly and the governor on its~~
20 ~~findings and the result of its studies, and make such any recommendations to the general~~
21 ~~assembly and propose such any legislation or initiate such any studies as that it shall deem~~
22 ~~advisable. The first such report shall be made prior to January 1, 1991. The commission shall~~
23 ~~deliver its final report and shall expire on January 1, 1995.~~

24 ~~**22-17-5. Place of meeting — Quorum.** The joint committee on legislative~~
25 ~~services shall provide adequate space in the state house for the use of the commission on~~
26 ~~vehicle emissions; provided, however, that the commission on vehicle emissions may~~
27 ~~conduct hearings and hold meetings elsewhere when doing so will better serve its~~
28 ~~purpose. A majority in number of the commission on vehicle emissions shall be~~
29 ~~necessary to constitute a quorum for the transaction of business.~~

30 SECTION 77. Section 27-34.1-11 of the General Laws in Chapter 27-34.1
31 entitled "Rhode Island Life and Health Insurance Guaranty Association Act" is hereby
32 amended to read as follows:

1 **27-34.1-11. Plan of operation.** -- (a) The association shall submit to the commissioner a
2 plan of operation and any amendments ~~thereto~~ to the plan necessary or suitable to assure the fair,
3 reasonable, and equitable administration of the association. The plan of operation and any
4 amendments ~~thereto~~ to it shall become effective upon approval in writing by the commissioner.

5 (b) If the association fails to submit a suitable plan of operation ~~within one hundred and~~
6 ~~eighty (180) days following July 1, 1985,~~ or if ~~at any time thereafter~~ the association fails to
7 submit suitable amendments to the plan, the commissioner shall, after notice and hearing, adopt
8 and promulgate the reasonable rules that are necessary or advisable to effectuate the provisions of
9 this chapter. Those rules shall continue in force until modified by the commissioner or superseded
10 by a plan submitted by the association and approved by the commissioner.

11 (c) All member insurers shall comply with the plan of operation.

12 (d) The plan of operation shall, in addition to requirements enumerated elsewhere in this
13 chapter:

14 (1) Establish procedures for handling the assets of the association;
15 (2) Establish the amount and method of reimbursing members of the board of directors
16 under § 27-34.1-8;
17 (3) Establish regular places and times for meetings of the board of directors;
18 (4) Establish procedures for records to be kept of all financial transactions of the
19 association and its agents and board of directors;
20 (5) Establish the procedures ~~whereby~~ by which selections for the board of directors will
21 be made and submitted to the ~~commissio~~ commissioner;
22 (6) Establish any additional procedures for assessments under § 27-34.1-10; and
23 (7) Contain additional provisions necessary or proper for the execution of the powers and
24 duties of the association.

25 (e) The plan of operation may provide that any or all powers and duties of the
26 association, except those under § 27-34.1-10, are delegated to a corporation, association, or other
27 organization which performs or will perform functions similar to those of the association, or its
28 equivalent, in two (2) or more states. That a corporation, association, or organization shall be
29 reimbursed for any payments made on behalf of the association and shall be paid for its
30 performance of any function of the association. A delegation under this subsection shall take
31 effect only with the approval of both the board of directors and the commissioner, and may be
32 made only to a corporation, association, or organization which extends protection not
33 substantially less favorable and effective than that provided by this chapter.

1 SECTION 78. Section 27-34.2-2 of the General Laws in Chapter 27-34.2 entitled “Long
2 Term Care Insurance” is hereby amended to read as follows:

3 **27-34.2-2. Scope.** -- Long term care insurance is deemed to be accident and health
4 insurance and is classified as such for the purposes of chapter 34.1 of this title, the Rhode Island
5 Life and Health Insurance Guaranty Association Act. The requirements of this chapter apply to
6 policies delivered or issued for delivery in this state, except as provided in § 27-34.2-5, ~~on or~~
7 ~~after June 2, 1988~~. This chapter is not intended to supercede the obligations of entities subject to
8 this chapter to comply with the substance of other applicable insurance laws insofar as they do
9 not conflict with this chapter. Except to the extent expressly provided in this chapter, nothing in
10 any other chapter of this title, or chapter 62 of title 42, regulating the form, content, or provisions
11 of accident and health insurance policies, health benefit plans, and Medicare supplement
12 insurance policies, or the filing and approval of those policies or plans including premium rates,
13 applies to long term care insurance policies written under and subject to the provisions of this
14 chapter.

15 SECTION 79. Sections 27-34.3-5 and 27-34.3-12 of the General Laws in Chapter 27-
16 34.3 entitled “Rhode Island Life and Health Insurance Guaranty Association Act” are hereby
17 amended to read as follows:

18 **27-34.3-5. Definitions.** -- As used in this chapter:

19 (1) “Account” means either of the two accounts created under § 27-34.3-6.

20 (2) “Association” means the Rhode Island life and health insurance guaranty association
21 created under § 27-34.3-6.

22 (3) “Commissioner” means the commissioner of insurance within the department of
23 business regulation of this state.

24 (4) “Contractual obligation” means any obligation under a policy or contract or certificate
25 under a group policy or contract, or portion ~~thereof~~ of a group policy or contract for which
26 coverage is provided under § 27-34.3-3.

27 (5) “Covered policy” means any policy or contract within the scope of this chapter under
28 § 27-34.3-3.

29 (6) “Impaired insurer” means a member insurer which, ~~after January 1, 1996~~, is not an insolvent
30 insurer, and:

31 (i) Is deemed by the commissioner to be potentially unable to fulfill its contractual
32 obligations; or

33 (ii) Is placed under an order of rehabilitation or conservation by a court of competent
34 jurisdiction.

(7) “Insolvent insurer” means a member insurer which after the effective date of this chapter, is placed under an order of liquidation by a court of competent jurisdiction with a finding of insolvency.

(8) “Member insurer” means any insurer licensed or which holds a certificate of authority to transact in this state any kind of insurance for which coverage is provided under § 27-34.3-3, and includes any insurer whose license or certificate of authority in this state may have been suspended, revoked, not renewed or voluntarily withdrawn, but does not include:

(i) A non-profit hospital or medical service organization;

(ii) A health maintenance organization;

(iii) A fraternal benefit society;

(iv) A mandatory state pooling plan;

(v) A mutual assessment company or any entity that operates on an assessment basis;

(vi) An insurance exchange; or

(vii) Any entity similar to any of the above.

(9) “Moody’s corporate bond yield average” means the monthly average corporates as published by Moody’s Investors Service, Inc., or any successor ~~thereto~~ to it.

(10) “Person” means any individual, corporation, partnership, association or voluntary organization.

(11) “Premiums” means amounts received on covered policies or contracts less premiums, considerations and deposits returned ~~thereon~~ on the policies or contracts, and less dividends and experience credits ~~thereon~~ on them. “Premiums” does not include any amounts received for any policies or contracts or for the portions of any policies or contracts for which coverage is not provided under § 27-34.3-3(b) except that ~~assessible~~ assessable premium shall not be reduced on account of § 27-34.3-3(b)(2)(iii) relating to interest limitations and § 27-34.3-3(c)(2) relating to limitations with respect to any one individual, any one participant and any one contract holder; provided that “premiums” shall not include any premiums in excess of five million dollars (\$5,000,000) on any unallocated annuity contract not issued under a governmental retirement plan established under § 401, 403(b) or 457 of the United States Internal Revenue Code, 26 U.S.C. § 401, 403(b) or 457.

(12) “Resident” means any person who resides in this state at the time a member insurer is determined to be an impaired or insolvent insurer and to whom a contractual obligation is owed. A person may be a resident of only one state, which in the case of a person other than a natural person shall be its principal place of business.

(13) “Supplemental contract” means any agreement entered into for the distribution of policy or contract proceeds.

(14) “Unallocated annuity contract” means any annuity contract or group annuity certificate which is not issued to and owned by an individual, except to the extent of any annuity benefits guaranteed to an individual by an insurer under the contract or certificate.

27-34.3-12. Prevention of insolvencies. – To aid in the detection and prevention of insurer insolvencies or impairments;

(1) The commissioner may, in his or her discretion;

(i) Notify the commissioners of all the other states, territories of the United States and the District of Columbia when the commissioner takes any of the following actions against a member insurer:

(A) Revocation of license;

(B) Suspension of license; or

(C) Makes any formal order that ~~such~~ the company restrict its premium writing, obtain additional contributions to surplus, withdraw from the state, reinsure all or any part of its business, or increase capital, surplus, or any other account for the security of policyholders or creditors.

(ii) Report to the board of directors when the commissioner has taken any of the actions set forth in paragraph ~~(1)~~ (i) of this subdivision or has received a report from any other commissioner indicating that any such action has been taken in another state. The report to the board of directors shall contain all significant details of the action taken or the report received from another commissioner.

(iii) Report to the board of directors when the commissioner has reasonable cause to believe from any examination, whether completed or in process, of any member company that the company may be an impaired or insolvent insurer.

(iv) Furnish to the board of directors the NAIC insurance regulatory information system (IRIS) ratios and listings of companies not included in the ratios developed by the National Association of Insurance Commissioners, and the board may use the information contained ~~therein~~ in the ratios and listings in carrying out its duties and responsibilities under this section. The report and the information contained ~~therein~~ in it shall be kept confidential by the board of directors until such time as made public by the commissioner or other lawful authority.

(2) The commissioner may seek the advice and recommendations of the board of directors concerning any matter affecting his duties and responsibilities regarding the financial

1 condition of member insurers and companies seeking admission to transact insurance business in
2 this state.

3 (3) The board of directors may, upon majority vote, make reports and recommendations
4 to the commissioner upon any matter germane to the solvency, liquidation, rehabilitation or
5 conservation of any member insurer or germane to the solvency of any company seeking to do an
6 insurance business in this state. The reports and recommendations shall not be considered public
7 documents.

8 (4) It shall be the duty of the board of directors, upon majority vote, to notify the
9 commissioner of any information indicating any member insurer may be an impaired or insolvent
10 insurer.

11 (5) The board of directors may, upon majority vote, request that the commissioner order
12 an examination of any member insurer which the board in good faith believes may be an impaired
13 or insolvent insurer. Within thirty (30) days of the receipt of the request, the commissioner shall
14 begin an examination. The examination may be conducted as a national association of insurance
15 commissioners examination or may be conducted by persons the commissioner designates. The
16 cost of the examination shall be paid by the association and the examination report shall be
17 treated as are other examination reports.

18 The commissioner shall notify the board of directors when the examination is completed. The
19 request for an examination shall be kept on file by the commissioner, but it shall not be open to
20 public inspection prior to the release of the examination report to the public.

21 (6) The board of directors may, upon majority vote, make recommendations to the
22 commissioner for the detection and prevention of insurer insolvencies.

23 (7) The board of directors shall, at the conclusion of any insurer insolvency in which the
24 association was obligated to pay covered claims, prepare a report to the commissioner containing
25 such information as it may have in its possession bearing on the history and causes of the
26 insolvency. The board shall cooperate with the boards of directors of guaranty associations in
27 other states in preparing a report on the history and causes of insolvency of a particular insurer,
28 and may adopt by reference any report prepared by other associations.

29 SECTION 80. Section 27-35-3 of the General Laws in Chapter 27-35 entitled "Insurance
30 Holding Company Systems" is hereby amended to read as follows:

31 **27-35-3. Registration of insurers.** -- (a) *Registration.* Every insurer that is authorized
32 to do business in this state and that is a member of an insurance holding company system shall
33 annually register with the commissioner, except a foreign insurer subject to disclosure
34 requirements and standards adopted by statute or regulation in the jurisdiction of its domicile

1 which are substantially similar to those contained in § 27-35-3; this section and § 27-35-4(a), (b),
2 (f) and (g)., ~~27-35-4(b), 27-35-4(f) and 27-35-4(g).~~ Any insurer that is subject to registration under
3 this section shall register ~~within sixty (60) days after July 16, 1971 or~~ fifteen (15) days after it
4 becomes subject to registration, ~~whichever is later~~, unless the commissioner for good cause
5 shown extends the time for registration, and then within that extended time. The commissioner
6 may require any authorized insurer which is a member of a holding company system which is not
7 subject to registration under this section to furnish a copy of the registration statement or other
8 information filed by the insurance company with the insurance regulatory authority of domiciliary
9 jurisdiction.

10 (b) *Information and form required.* Every insurer subject to registration shall file a
11 registration statement on a form provided by the commissioner, which shall contain current
12 information about:

13 (1) The capital structure, general financial condition, ownership, and management of the
14 insurer and any person controlling the insurer;

15 (2) The identity of every member of the insurance holding company system;

16 (3) The following agreements in force, relationships subsisting, and transactions currently
17 outstanding between the insurer and its affiliates:

18 (i) Loans, other investments or purchases, and sales and exchanges of securities of the
19 affiliates by the insurer or of the insurer by its affiliates;

20 (ii) Purchases, sales, or exchanges of assets;

21 (iii) Transactions not in the ordinary course of business;

22 (iv) Guarantees or undertakings for the benefit of an affiliate which result in an actual
23 contingent exposure of the insurer's assets to liability, other than insurance contracts entered into
24 in the ordinary course of the insurer's business;

25 (v) All management service contracts and all cost sharing arrangements; and

26 (vi) Reinsurance agreements;

27 (vii) Dividends and other distributions to shareholder;

28 (viii) Consolidated tax allocation agreements; and

29 (3.1) Any pledge of the insurer's stock, including stock of any subsidiary or controlling affiliate,
30 for a loan made to any member of the insurance holding company system; and

31 (4) Other matters concerning transactions between registered insurers and any affiliates
32 as may be included from time to time in any registration forms adopted or approved by the
33 commissioner.

1 (c) *Materiality*. No information need be disclosed on the registration statement filed
2 pursuant to subsection (b) of this section if that information is not material for the purposes of this
3 section. Unless the commissioner by rule, regulation, or order provides otherwise, sales,
4 purchases, exchanges, loans, or extensions of credit or investments involving one-half of one
5 percent (.5%) or less of an insurer's admitted assets as of the thirty-first day of December next
6 preceding shall not be deemed material for purposes of this section.

7 (d) *Amendments to registration statements*. Each registered insurer shall keep current the
8 information required to be disclosed in its registration statement by reporting all material changes
9 or additions on amendment forms provided by the commissioner within fifteen (15) days after the
10 end of the month in which it learns of each change or addition; provided, however, that subject to
11 § 27-35-4(c), each registered insurer shall so report all dividends and other distributions to
12 shareholders within two (2) business days following the declaration ~~thereof~~ of the dividend or
13 other distribution.

14 (e) *Termination of registration*. The commissioner shall terminate the registration of any
15 insurer that demonstrates that it no longer is a member of an insurance holding company system.

16 (f) *Consolidated filing*. The commissioner may require or allow two (2) or more
17 affiliated insurers subject to registration ~~hereunder~~ under this chapter to file a consolidated
18 registration statement or consolidated reports amending their consolidated registration statement
19 or their individual registration statements.

20 (g) *Alternative registration*. The commissioner may allow an insurer that is authorized to
21 do business in this state and which is part of an insurance holding company system to register on
22 behalf of any affiliated insurer which is required to register under subsection (a) and to file all
23 information and material required to be filed under this section.

24 (h) *Exemptions*. The provisions of this section shall not apply to any insurer,
25 information, or transaction if and to the extent that the commissioner by rule, regulation, or order
26 shall exempt from the provisions of this section.

27 (i) *Disclaimer*. Any person may file with commissioner a disclaimer of affiliation with
28 any authorized insurer or the disclaimer may be filed by the insurer or any member of an
29 insurance holding company system. The disclaimer shall fully disclose all material relationships
30 and basis for affiliation between the person and the insurer as well as the basis for disclaiming the
31 affiliation. After a disclaimer has been filed, the insurer shall be relieved of any duty to register or
32 report under this section which may arise out of the insurer's relationship with the person unless
33 and until the commissioner disallows the disclaimer. The commissioner shall disallow the

1 disclaimer only after furnishing all parties in interest with notice and opportunity to be heard and
2 after making specific findings of fact to support the disallowance.

3 (j) *Violations.* The failure to file a registration statement or any amendment ~~thereto~~ to it
4 required by this section within the time specified for the filing shall be a violation of this section.

5 (k) *Summary of registration statement.* All registration statements shall contain a
6 summary outlining all items in the current registration statement representing changes from the
7 prior registration statement.

8 (l) *Information of insurers.* Any person within an insurance holding company system
9 subject to registration shall be required to provide complete and accurate information to an
10 insurer, where the information is reasonably necessary to enable the insurer to comply with the
11 provisions of this chapter.

12 SECTION 81. Section 27-37-1 of the General Laws in Chpater 27-37 entitled
13 “Cancellation of Group Insurance” is hereby amended to read as follows:

14 **27-37-1. Notice of cancellation.** -- No policy of group insurance hereafter issued in this
15 state shall be cancelled by the insurer unless written notice of cancellation be mailed to the group
16 contract holder by certified or registered mail at least thirty (30) days prior to the cancellation
17 date in order for the cancellation to be effective.

18 SECTION 82. Sections 27-34.2-11 and 27-34.2-17 of the General Laws in Chapter 27-
19 34.2 entitled “Long Term Care Insurance” are hereby repealed in their entirety.

20 ~~**27-34.2-11. Previously approved policies.** -- All long term care insurance policies~~
21 ~~previously approved by the department of business regulation, that are offered or delivered after~~
22 ~~June 2, 1988, shall be brought into compliance with this chapter on or before January 1, 1991.~~

23 ~~**27-34.2-17. Long term care insurance advisory panel.** [Effective until January 7, 2003.] --~~

24 ~~(a) There is hereby established an advisory panel to the department of business regulation for the~~
25 ~~purpose of examining minimum criteria for Medicaid qualifying long term care insurance~~
26 ~~policies. The panel shall consist of the following:~~

27 ~~(1) The director of the department of health and human services or the director’s~~
28 ~~designee;~~

29 ~~(2) A representative of the insurance industry to be appointed by the governor;~~

30 ~~(3) The director of the department of business regulation or the director’s designee;~~

31 ~~(4) An attorney whose practice concentrates in elder law, to be appointed by the speaker~~
32 ~~of the house;~~

33 ~~(5) A member of the American Association of Retired Persons to be appointed by the~~
34 ~~speaker of the house;~~

1 ~~(6) A representative of the Rhode Island Medical Society;~~
2 ~~(7) The director of the department of elderly affairs or the director's designee;~~
3 ~~(8) A representative of a visiting nurse association;~~
4 ~~(9) Three (3) members of the house of representatives, no more than two (2) from the majority~~
5 ~~party; and~~
6 ~~(10) Two (2) members of the senate to be appointed by the majority leader, one from~~
7 ~~each party.~~
8 ~~(b) The advisory panel shall report to the director of the department of business~~
9 ~~regulation on or before December 31, 1994 regarding recommended basic requirements for long~~
10 ~~term care insurance policies.~~
11 **~~27-34.2-17. Long term care insurance advisory panel. [Effective January 7, 2003.]—~~**
12 ~~(a) There is hereby established an advisory panel to the department of business regulation for the~~
13 ~~purpose of examining minimum criteria for Medicaid qualifying long term care insurance~~
14 ~~policies. The panel shall consist of the following:~~
15 ~~(1) The director of the department of health and human services or the director's~~
16 ~~designee;~~
17 ~~(2) A representative of the insurance industry to be appointed by the governor;~~
18 ~~(3) The director of the department of business regulation or the director's designee;~~
19 ~~(4) An attorney whose practice concentrates in elder law, to be appointed by the speaker~~
20 ~~of the house;~~
21 ~~(5) A member of the American Association of Retired Persons to be appointed by the~~
22 ~~speaker of the house;~~
23 ~~(6) A representative of the Rhode Island Medical Society;~~
24 ~~(7) The director of the department of elderly affairs or the director's designee;~~
25 ~~(8) A representative of a visiting nurse association;~~
26 ~~(9) Three (3) members of the house of representatives, no more than two (2) from the~~
27 ~~majority party; and~~
28 ~~(10) Two (2) members of the senate to be appointed by the president of the senate, one~~
29 ~~from each party.~~
30 ~~(b) The advisory panel shall report to the director of the department of business~~
31 ~~regulation on or before December 31, 1994 regarding recommended basic requirements for long~~
32 ~~term care insurance policies.~~

1 SECTION 83. Section 27-38.2-1 of the General Laws in Chapter 27-38 entitled
2 “Insurance Coverage for Mental Illness and Substance Abuse” is hereby amended to read as
3 follows:

4 **27-38.2-1. Mental illness coverage.** -- Every health care insurer that delivers or issues
5 for delivery or renews in this state ~~on or after January 1, 2002,~~ a contract, plan, or policy except
6 contracts providing supplemental coverage to Medicare or other governmental programs, shall
7 provide coverage for the medical treatment of mental illness and substance abuse under the same
8 terms and conditions as ~~such~~ that coverage is provided for other illnesses and diseases. Insurance
9 coverage offered pursuant to this statute must include the same durational limits, amount limits,
10 deductibles, and co-insurance factors for mental illness as for other illnesses and diseases.

11 SECTION 84. Section 27-40-2 of the General Laws in Chapter 27-40 entitled “Insurance
12 Premium Finance Agreements” is hereby amended to read as follows:

13 **27-40-2. Definitions.** -- As used in this chapter:

14 (1) “Director” means the director of business regulation.

15 (2) “Insurance premium finance agreement”; ~~hereinafter~~ referred to in this chapter as
16 “agreement”; means an agreement by which an insured, or prospective insured, promises to pay
17 to an insurance premium finance company the amount advanced or to be advanced, under the
18 agreement to an insurer or to an insurance producer, in payment of a premium or premiums on an
19 insurance contract or contracts, together with interest and a service charge, as authorized and
20 limited by this chapter;

21 (3) “Insurance premium finance company”, ~~hereinafter~~ referred to in this chapter as
22 “company”, means a person engaged in the business of entering into insurance premium finance
23 agreements, as hereinafter defined, or acquiring insurance premium finance agreements from
24 other insurance premium finance companies;

25 (4) “Licensee” means an insurance premium finance company holding a license issued
26 and existing by virtue of and pursuant to chapter ~~25-3~~ 14.1 of title 19; and ~~{similar provisions now~~
27 ~~under 19-14.1}~~

28 (5) “Person” means an individual, partnership, association, business corporation,
29 nonprofit corporation, common law trust, joint stock company; or any other group of individuals
30 howsoever lawfully organized.

31 SECTION 85. Sections 27-41-1, 27-41-2, 27-41-9, 27-41-13, 27-41-19, 27-41-26.1, 27-
32 41-20.1, 27-41-33, 27-41-34, 27-41-36, 27-41-38, 27-41-39, 27-41-40, 27-41-41, 27-41-43, 27-
33 41-43.1, 27-41-44, 27-41-49, 27-41-49.1, 27-41-50, 27-41-53.1, 27-41-54, 27-41-59, and 27-41-

64 of the General Laws in Chapter 27-41 entitled “Health Maintenance Organizations” are hereby amended to read as follows:

27-41-1. Short title. -- This chapter may be cited as the “Health Maintenance Organization Act.” ~~of 1983”.~~

27-41-2. Definitions. -- (a) “Covered health services” means the services that a health maintenance organization contracts with enrollees and enrolled groups to provide or otherwise make available to an enrolled participant.

(b) “Director” means the director of the department of business regulation or his or her duly appointed agents.

(c) “Employee” means any person who has entered into the employment of or works under a contract of service or apprenticeship with any employer. It shall not include a person who has been employed for less than thirty (30) days by his or her employer, nor shall it include a person who works less than an average of thirty (30) hours per week. For the purposes of this chapter, the term “employee” shall mean a person employed by an “employer” as defined in subsection (d) of this section. Except as otherwise provided ~~herein in this chapter~~ the terms “employee” and “employer” are to be defined according to the rules and regulations of the department of labor and training.

(d) “Employer” means any person, partnership, association, trust, estate, or corporation, whether foreign or domestic, or the legal representative, trustee in bankruptcy, receiver, or trustee ~~thereof~~ of a receiver, or the legal representative of a deceased person, including the state of Rhode Island and each city and town ~~therein in the state~~, which has in its employ one or more individuals during any calendar year, ~~after May 17, 1983~~. For the purposes of this section, the term “employer” refers only to an employer with persons employed within the state of Rhode Island.

(e) “Enrollee” means an individual who has been enrolled in a health maintenance organization.

(f) “Evidence of coverage” means any certificate, agreement, or contract issued to an enrollee setting out the coverage to which the enrollee is entitled.

(g) “Health care services” means any services included in the furnishing to any individual of medical, podiatric, or dental care, or hospitalization, or incident to the furnishing of that care or hospitalization, as well as the furnishing to any person of any and all other services for the purpose of preventing, alleviating, curing, or healing human illness, injury, or physical disability.

1 (h) “Health maintenance organization” means a single public or private organization
2 which:

3 (1) Provides or otherwise makes available to enrolled participants health care services,
4 including at least the following basic health care services: usual physician services,
5 hospitalization, laboratory, x-ray, emergency, and preventive services, and out of area coverage,
6 and the services of licensed midwives;

7 (2) Is compensated, except for copayments, for the provision of the basic health care
8 services listed in ~~subsection (h)~~ subdivision (1) of this ~~section~~ subsection to enrolled participants
9 on a predetermined periodic rate basis; and

10 (3) (i) Provides physicians’ services primarily:
11 (A) Directly through physicians who are either employees or partners of the organization;
12 or
13 (B) Through arrangements with individual physicians or one or more groups of
14 physicians organized on a group practice or individual practice basis;

15 (ii) “Health maintenance organization” does not include prepaid plans offered by entities
16 regulated under chapter 1, 2, 19, or 20 of this title which do not meet the criteria above and do not
17 purport to be health maintenance organizations;

18 (4) Provides the services of licensed midwives primarily:
19 (i) Directly through licensed midwives who are either employees or partners of the
20 organization; or
21 (ii) Through arrangements with individual licensed midwives or one or more groups of
22 licensed midwives organized on a group practice or individual practice basis.

23 (i) “Licensed midwife” means any midwife licensed pursuant to § 23-13-9.

24 (j) ~~(e)~~ “Material modification” means only systemic changes to the information filed
25 under § 27-41-3.

26 (k) ~~(f)~~ “Net worth”, for the purposes of this chapter, means the excess of total admitted
27 assets over total liabilities.

28 (l) ~~(g)~~ “Physician” shall include podiatrist as defined in chapter 29 of title 5.

29 (m) ~~(h)~~ “Private organization” means a legal corporation with a policy making and
30 governing body.

31 (n) ~~(i)~~ “Provider” means any physician, hospital, licensed midwife, or other person
32 ~~which~~ who is licensed or otherwise authorized in this state to furnish health care services.

33 (o) ~~(m)~~ “Public organization” means an instrumentality of government.

1

(p) ~~(q)~~ “Risk based capital (“RBC”) instructions” means the risk based capital report
2 including risk based capital instructions adopted by the National Association of Insurance
3 Commissioners (“NAIC”), as these risk based capital instructions are amended by the NAIC from
4 time to time in accordance with the procedures adopted by the NAIC.

5

(q) ~~(r)~~ “Total adjusted capital” means the sum of:

- 6 (1) A health maintenance organization’s statutory capital and surplus (i.e. net worth) as
7 determined in accordance with the statutory accounting applicable to the annual financial
8 statements required to be filed under § 27-41-9; and
9 (2) Any other items, if any, that the RBC instructions provide.

10

(r) ~~(s)~~ “Uncovered expenditures” means the costs of health care services that are covered
11 by a health maintenance organization, but that are not guaranteed, insured, or assumed by a
12 person or organization other than the health maintenance organization. Expenditures to a provider
13 that agrees not to bill enrollees under any circumstances are excluded from this definition.

14

27-41-9. Required reports. -- (a) Every health maintenance organization shall annually,
15 on or before the first day of March, file a report verified by at least two (2) principal officers with
16 the director, with a copy to the director of health, covering the preceding calendar year.

17 (b) The annual report shall be on forms prescribed by the director in consultation with the director
18 of health and shall include:

19 (1) A financial statement of the organization, including its balance sheet and receipts and
20 disbursements for the preceding year certified by an independent public accountant;

21 (2) Any material changes in the information submitted pursuant to § 27-41-3(c);

22 (3) The number of persons enrolled during the year, the number of enrollees as of the end
23 of the year, and the number of enrollments terminated during the year;

24 (4) A summary of information compiled pursuant to § ~~27-41-4(b)(2)(iv)~~ 27-41-4(a)(2)(iv)
25 in the form as required by the director of health; and

26 (5) Any other information relating to the performance of the health maintenance
27 organization as is necessary to enable the director to carry out his or her duties under this chapter.

28 (c) In addition to the reports required in subsection (a), every health maintenance
29 organization shall on a form prescribed by the director report on or before September 30 of each
30 year a filing that shall set forth the amount of uncovered and covered expenses that are payable
31 and are more than ninety (90) days past due. That report shall cover the period January 1 through
32 July 31 of that year. Further, at the time of the filing of the annual report as required in subsection
33 (a), a report shall be filed setting forth the amount of uncovered and covered expenses that are

payable and are more than ninety (90) days past due; that report shall cover the preceding period of August 1 through December 31 of that year.

(d) Every health maintenance organization shall also file quarterly statements with the insurance commissioner, due on or before forty-five (45) days after the quarter ending in accordance with the National Association of Insurance Commissioners' guidelines and procedures, and shall be available for inspection by the public.

(e) The insurance commissioner shall also require compliance with chapters 12 and 12.1 of title 27.

27-41-13. Protection against insolvency. -- (a) Unless otherwise provided, each health maintenance organization shall deposit with the general treasurer of the state of Rhode Island securities having a market value at all times of at least the amount set forth in this section, which are to be held for the benefit and protection of all the enrollees of the health maintenance organization.

(b)(1) The amount for an organization that is applying for initial licensure shall be the greater of:

(i) Five percent (5%) of its estimated expenditures for health care services for its first year of operation;

(ii) Twice its estimated average monthly uncovered expenditures for its first year of operation; or

(iii) One hundred thousand dollars (\$100,000);

(2) At the beginning of each succeeding year, unless not applicable, that organization shall deposit with the general treasurer securities in an amount equal to four percent (4%) of its estimated annual uncovered expenditures for that year.

(c)(1) An organization that is licensed as a health maintenance organization on May 17, 1983, shall make a deposit equal to the larger of:

(i) One percent (1%) of the preceding twelve (12) months of uncovered expenditures; or

(ii) One hundred thousand dollars (\$100,000), within six (6) months of May 17, 1983;

(2) On the first day of the organization's first fiscal year beginning six (6) months or more after May 17, 1983, the organization shall make an additional deposit equal to two percent (2%) of its estimated annual uncovered expenditures. In the second fiscal year, if applicable, the additional deposit shall be equal to three percent (3%) of its estimated annual uncovered expenditures for that year, and in the third fiscal year and subsequent years, if applicable, the additional deposit shall be equal to four percent (4%) of its estimated annual uncovered

expenditures for each year. Each year's estimate, after the first year of operation, shall reasonably reflect the prior year's operating experience and delivery arrangements.

(d) The director may waive any of the deposit requirements as set forth in subsections (b) and (c); of this section whenever satisfied that the organization has sufficient net worth and an adequate history of generating net income to assure its financial viability for the next year, or its performance and obligations are guaranteed by an organization with sufficient net worth and an adequate history of generating net income, or the assets of the organization or its contracts with insurers, hospital or medical service corporations, governments, or other organizations are sufficient to reasonably assure the performance of its obligations.

(e)(1) When an organization has achieved a net worth not including land, buildings, and equipment of at least one million dollars (\$1,000,000) or has achieved a net worth including plan related land, buildings, and equipment of at least five million dollars (\$5,000,000), the annual deposit requirement shall not apply;

(2) The annual deposit requirement shall not apply to an organization if the total amount of the deposit of securities is equal to twelve percent (12%) of the HMO's estimated annual uncovered expenditures for the next calendar year, or the capital and surplus requirements for the formation and admittance of an accident and health insurer in this state, whichever is less;

(3) If the organization has a guaranteeing organization which has been in operation for at least five (5) years and has a net worth not including land, buildings, and equipment of at least one million dollars (\$1,000,000) or which has been in operation for at least ten (10) years and has a net worth including plan related land, buildings, and equipment of at least five million dollars (\$5,000,000), the annual deposit requirement shall not apply; ~~provided, however, that~~ However, if the guaranteeing organization is sponsoring more than the one organization, the net worth requirement shall be increased by a multiple equal to the number of organizations. This requirement to maintain a deposit in excess of the deposit required of an accident and health insurer shall not apply during any time that the guaranteeing organization maintains a net worth at least equal to the capital and surplus requirements for an accident and health insurer.

(f) All income from the deposit with the general treasurer shall belong to the depositing organization and shall be paid to it as it becomes available. A health maintenance organization that has made a securities deposit with the general treasurer may, at its option, withdraw the securities deposit or any part ~~thereof~~ of the deposit, first having deposited, in lieu ~~thereof~~ of it, a deposit of securities of equal amount and value to that withdrawn.

(g) In any year in which an annual deposit is not required of an organization, at its request, the director shall lower its required deposit by one hundred thousand dollars (\$100,000)

1 for each two hundred fifty thousand dollars (\$250,000) of net worth not including land, buildings,
2 and equipment, if it, or a guaranteeing organization on its behalf and not for another organization,
3 has in excess of one million dollars (\$1,000,000) or in excess of five million dollars (\$5,000,000)
4 of net worth, including only health maintenance organization related land, buildings, and
5 equipment contributing to the delivery of health care services; provided, however, that the
6 reductions never bring the required deposit below one hundred thousand dollars (\$100,000). If the
7 net worth of an organization or guaranteeing organization no longer supports a reduction of its
8 required deposit, the organization shall immediately redeposit one hundred thousand dollars
9 (\$100,000) for each two hundred fifty thousand dollars (\$250,000) of reduction, provided that its
10 total deposit does not exceed the maximum required under this section.

11 (h)(1) Before issuing any certificate of authority, the director shall require that the health
12 maintenance organization have an initial net worth of one million five hundred thousand dollars
13 (\$1,500,000) and shall thereafter maintain the minimum net worth required under paragraph (2)
14 of this subsection.

15 (2) Except as provided in ~~paragraphs~~ subdivisions (3) and (4) of this subsection, every
16 health maintenance organization must:

17 (i) ~~(a)~~ Maintain a minimum net worth equal to the greater of:

18 (A) ~~(4)~~ One million dollars (\$1,000,000); or

19 (B) ~~(2)~~ Two percent (2%) of annual premium revenues as reported on the most recent
20 annual financial statement filed with the director on the first one hundred fifty million dollars
21 (\$150,000,000) of premium and one percent (1%) of annual premium of the premium in excess of
22 one hundred fifty million dollars (\$150,000,000).

23 (ii) ~~(b)~~ Maintain total adjusted capital at the amount of authorized control level risk based
24 capital as determined under the risk based capital formula in accordance with the managed care
25 organizations risk based capital instructions adopted by the National Association of Insurance
26 Commissioners.

27 (3) A health maintenance organization licensed before July 1, 1999 must maintain a
28 minimum net worth and total adjusted capital of:

29 ~~(A) Twenty-five percent (25%) of the amount required by paragraph (2) of this~~
30 ~~subsection by January 1, 2000;~~

31 ~~(B) Fifty percent (50%) of the amount required by paragraph (2) of this subsection by~~
32 ~~January 1, 2001;~~

33 (i) ~~(C)~~ Seventy-five percent (75%) of the amount required by ~~paragraph~~ subdivision (2)
34 of this subsection by January 1, 2002;

1 (ii) ~~(D)~~ One hundred percent (100%) of the amount required by ~~paragraph subdivision~~ (2)
2 of this subsection by January 1, 2003.

3 (4) The director may waive any of the net worth and/or total adjusted capital
4 requirements as set forth in this subsection ~~(A)~~ whenever satisfied that the health maintenance
5 organization has sufficient net worth and/or total adjusted capital and an adequate history of
6 generating net income to assure its financial viability for the next year, or its performance and
7 obligations are guaranteed by an organization with sufficient net worth and an adequate history of
8 generating net income, or the assets of the health maintenance organization or its contracts with
9 insurers, hospital or medical service corporations, governments, or other organizations are
10 sufficient to reasonably assure the performance of its obligations; provided, however, that in no
11 event shall the net worth requirement be less than one hundred thousand dollars (\$100,000).

12 (5)(i) ~~(A)~~ In determining net worth, no debt is considered fully subordinated unless the
13 subordination clause is in a form acceptable to the director. Any interest obligation relating to the
14 repayment of any subordinated debt must be similarly subordinated.

15 (ii) ~~(B)~~ The interest expenses relating to the repayment of any fully subordinated debt are
16 considered covered expenses.

17 (iii) ~~(C)~~ Any debt incurred by a note meeting the requirements of this section, and
18 otherwise acceptable to the director, are not considered a liability and are recorded as equity.

19 (i) Each health maintenance organization shall maintain written contracts or other
20 arrangements satisfactory to the director with providers of services, insurers, hospital or medical
21 service corporations, governments, or other organizations to satisfy the director that in the event
22 of insolvency enrollees will not be liable for charges for covered health services received before
23 the time of insolvency and those contracts and other arrangements shall assure that:

24 (1) Benefits, including professional services, for all enrollees who are confined at the
25 time of insolvency in hospitals, skilled nursing facilities, intermediate care facilities, or home
26 health agencies receiving services covered by the health maintenance organization shall continue
27 to be paid without interruption until the earlier of discharge or ninety (90) days, or in the
28 alternative, for federally qualified health maintenance organizations which are licensed pursuant
29 to this chapter, confinement coverage shall be provided which meets federal standards for
30 federally qualified health maintenance organization plans;

31 (2) All enrollees will be covered without interruption by the lesser of their current
32 coverage or a fully qualified program as defined in § 42-62-10, or its equivalent as approved by
33 the director, for a period of thirty (30) days following the insolvency, unless enrollees are
34 afforded an opportunity to enroll in another insurance plan as defined in ~~subsection (i)~~

subdivision (3) of this subsection without waiting periods or exclusions or limitations based on health status; and

(3) Enrollees and enrolled groups will be afforded the opportunity within thirty (30) days to purchase other health insurance equivalent to the lesser of their current coverage or a fully qualified program as defined in § 42-62-10 on a group basis if they are enrolled in the health maintenance organization on a group basis and on a direct pay basis otherwise, with full credit for all prepaid premiums without waiting periods or exclusions or limitations based on health status. In the event that a contract providing for coverage commensurate with the lesser of current coverage or a fully qualified program as defined in § 42-62-10 is not reasonably available, the health maintenance organization shall maintain the best insolvency conversion insurance reasonably available in the market place. The director, upon application of the health maintenance organization, must before approving any alternate coverage be satisfied that that alternate coverage reasonably protects enrollees and is in the public interest. The term “insurance” as used in this section means an insurance policy or a contract of insurance with an entity acceptable to the director other than the health maintenance organization, which other entity is available to cover the enrollees of the health maintenance organization in the event of its insolvency. If insolvency conversion protection commensurate with the lesser of current coverage or a fully qualified program as defined in § 42-62-10 becomes available, the lesser shall be obtained by the health maintenance organization within a reasonable time.

(j) All insurance contracts, and other arrangements to satisfy the conditions herein, shall be evidenced by copies of the insurance contracts and arrangements and by a certificate from the insurers and other parties to the contracts or arrangements submitted to the director, which certificate must contain provisions requiring the insurer, and all other parties to the contracts, to notify the director and the health maintenance organization ninety (90) days in advance of any revocation or cancellation or of any significant change in status giving the reason ~~thereof~~ of the action. All insurance contracts shall remain in full force and effect for at least ninety (90) days following written notice by registered mail of cancellation by either party to the director. Each health maintenance organization must present the director with evidence of premium payment in a form and manner acceptable to the director for each premium payment for any insurance arrangement certifying that all premiums are prepaid ninety (90) days in advance and subsequently the health maintenance organization must follow up within a time period acceptable to the director with other evidence of premium payment satisfactory to the director.

27-41-19. Rules and regulations. ~~-- No later than January 1, 1996,~~ The director of business regulation and the director of health shall, after notice and hearing, promulgate

1 reasonable rules and regulations, ~~as~~ that are necessary or proper to carry out the provisions of this
2 chapter. Those rules and regulations shall be subject to review in accordance with the provisions
3 of chapter 35 of title 42.

4 **27-41-26.1. Patient responsibility — Administrative requirements.** -- For health
5 benefit contracts issued, renewed, or delivered ~~on or after January 1, 2002,~~ in this state the
6 following shall apply:

7 (1) The amount of copayments for physician office visits and hospital emergency room
8 visits shall be printed on the subscriber identification cards issued to insureds.

9 (2) A schedule of all applicable copayments, by product or by group, in paper or
10 electronic format, or both, shall be published, updated, and distributed to participating providers.

11 (3) On an annual basis, notification shall be provided to subscribers regarding their
12 responsibility for copayments and deductibles.

13 **27-41-30.1. Post-partum hospital stays.** -- (a) Every individual or group hospital or
14 medical services plan contract delivered, issued for delivery, or renewed in this state ~~on or after~~
15 ~~September 1, 1996,~~ shall provide coverage for a forty-eight (48) hour time period in a hospital
16 after a vaginal birth, and ninety-six (96) hours after a Cesarean section for a mother and her
17 newly born child. Any decision to shorten these minimum coverages shall be made by the
18 attending health care provider in consultation with the mother. The decision shall be made in
19 accordance with the standards for guidelines for perinatal care published by the American
20 College of Obstetrics and Gynecology and the American Academy of Pediatrics. The standards
21 shall be relative to early discharge, defined as less than forty-eight (48) hours for a vaginal
22 delivery and ninety-six (96) for a Cesarean delivery. In the case of early discharge, post-delivery
23 care shall include home visits, parent education, assistance and training in breast or bottle feeding
24 and the performance of any necessary and appropriate clinical tests or any other tests or services
25 consistent with the above guidelines.

26 (b) For the purposes of this section, “attending health care provider” ~~shall include~~
27 includes the attending obstetrician, pediatrician, family practitioner, general practitioner or
28 certified nurse midwife attending the mother and newly born child.

29 (c) Any member who is aggrieved by a denial of benefits to be provided under this
30 section may appeal the denial in accordance with regulations of the department of health, which
31 have been promulgated pursuant to chapter 17.12 of title 23. No policy or plan covered under this
32 chapter shall terminate the services, reduce capitation payment, or otherwise penalize an
33 attending physician or other health care provider who orders care consistent with the provisions
34 of this section.

1 **27-41-33. Coverage for infertility.** -- (a) Any health maintenance organization service
2 contract plan or policy ~~here and after~~ delivered, issued for delivery, or renewed in this state, ~~on or~~
3 ~~after December 1, 1989~~, except a contract providing supplemental coverage to Medicare or other
4 governmental programs, which includes pregnancy related benefits, shall provide coverage for
5 medically necessary expenses of diagnosis and treatment of infertility. To the extent that a health
6 maintenance organization provides reimbursement for a test or procedure used in the diagnosis or
7 treatment of conditions other than infertility, those tests and procedures shall not be excluded
8 from reimbursement when provided attendant to the diagnosis and treatment of infertility;
9 provided, that subscriber copayment, not to exceed twenty percent (20%), may be required for
10 those programs and/or procedures the sole purpose of which is the treatment of infertility.

11 (b) For the purpose of this section, “infertility” ~~shall mean~~ means the condition of an
12 otherwise healthy married individual who is unable to conceive or produce conception during a
13 period of one year.

14 **27-41-34. Health maintenance organizations’ assessment.** -- (a) Notwithstanding any
15 other provisions of law, each domestic HMO shall be charged an assessment to partially support
16 the activities of the division of insurance in the department of business regulation.

17 (b) ~~Commencing in fiscal year 1990-1991~~ Each domestic HMO assessment shall be
18 determined in accordance with the following ratio: (1) (i) by dividing the HMO total direct
19 premiums by the total direct premiums, including annuities, less policyholder dividends of all
20 domestic insurance companies plus the total direct premiums of domestic companies licensed or
21 regulated pursuant to chapters 19, 20, 20.1, 20.2, 20.3, 25, and 41 of this title, and chapter 62 of
22 title 42; (2) (ii) and then by multiplying the resulting ratio times two hundred thousand dollars
23 (\$200,000).

24 (c) The minimum assessment charged shall be the greater of the sum determined by
25 subsection (b) of this section or one thousand dollars (\$1,000).

26 **27-41-36. Services of midwives.** -- Every health maintenance organization plan contract
27 delivered, issued for delivery, or renewed in this state ~~on or after January 1, 1991~~, shall provide
28 coverage for the services of licensed midwives in accordance with each health maintenance
29 organization’s respective principles and mechanisms of reimbursement, credentialing, and
30 contracting if the services are within the licensed midwives’ area of professional competence as
31 defined by regulations promulgated pursuant to § 23-13-9 and are currently reimbursed when
32 rendered by any other licensed health care provider. No health maintenance organization may
33 require supervision, signature, or referral by any other health care provider as a condition of
34 reimbursement to a licensed midwife whose services are provided pursuant to § 27-41-5(a)(6)(ii),

1 except when the requirements are also applicable to other categories of health care providers.
2 Further, no health maintenance organization or patient may be required to pay for duplicate
3 services actually rendered by both a licensed midwife and any other health care provider. Direct
4 payment for licensed midwives will be contingent upon services rendered in a licensed health
5 care facility and for services rendered in accordance with rules and regulations promulgated by
6 the department of health; provided, however, that this provision shall not prohibit payment for
7 services pursuant to § 42-62-26 or for other services reimbursed by third party payors.

8 **27-41-38. Drug coverage.** -- No health maintenance organization that provides coverage
9 for prescription drugs under a group plan master contract delivered, issued for delivery, or
10 renewed in this state ~~on or after July 1, 1991,~~ may require any person covered under the contract
11 to obtain prescription drugs from a mail order pharmacy as a condition of obtaining benefits for
12 the drugs.

13 **27-41-39. Certified registered nurse practitioners and psychiatric and mental health**
14 **nurse clinical specialists.** -- (a) Every individual or group policy or contract delivered, issued for
15 delivery, or renewed by a health maintenance organization in this state ~~on or after January 1,~~
16 ~~1992,~~ will shall provide coverage for the services of certified registered nurse practitioners and
17 psychiatric and mental health nurse clinical specialists to subscribers, if those services are within
18 the certified registered nurse practitioner's or psychiatric and mental health nurse clinical
19 specialist's area of professional competence as established by education and certification, and are
20 currently reimbursed when rendered by any other health care provider. No health maintenance
21 organization may be required to pay for duplicative services actually rendered by a certified nurse
22 practitioner and any other health care provider.

23 (b) Nothing in this chapter shall preclude the conducting of managed care reviews and
24 medical necessity reviews by an insurer or hospital or medical service corporation or health
25 maintenance organization.

26 **27-41-40. Certified counselors in mental health and therapists in marriage and**
27 **family practice.** -- (a) Every individual or group policy or contract delivered, issued for delivery
28 or renewed by a health maintenance organization in this state ~~on or after January 1, 1994,~~ will
29 shall, when deemed medically necessary by the health maintenance organization in accordance
30 with its standard medical management protocols as approved by the health department and within
31 the contractual benefit limits, provide coverage for the services of counselors in mental health
32 licensed pursuant to § 5-63.2-9 and therapists in marriage and family practice licensed pursuant to
33 § 5-63.2-10.

(b) It shall remain within the sole discretion of the health maintenance organization as to which certified counselors in mental health and certified therapists in marriage and family practice it shall contract with. Nothing contained ~~herein~~ in this section shall require the health maintenance organization to provide coverage other than in conjunction with a related medical illness.

27-41-41. New cancer therapies — Under investigation. -- Every individual or group hospital or medical expense insurance policy or individual or group hospital or medical service plan contract delivered, issued for delivery or renewed in this state ~~on or after January 1, 1995,~~ shall provide coverage for new cancer therapies still under investigation as outlined in this chapter.

27-41-43. Mastectomy treatment. -- (a) Every individual or group health insurance contract, plan, or policy delivered, issued for delivery or renewed in this state ~~on or after January 1, 1997,~~ which provides medical coverage that includes coverage for physician services in a physician's office, and every policy which provides major medical or similar comprehensive-type coverage, shall include coverage for prosthetic devices and or reconstructive surgery to restore and achieve symmetry for the patient incident to a mastectomy. Coverage for prosthetic devices and reconstructive surgery shall be subject to the deductible and coinsurance conditions applied to the mastectomy and all other terms and conditions applicable to other benefits. Any reconstructive surgery under this section must be performed within eighteen (18) months of the original mastectomy. As used in this section, "mastectomy" means the removal of all or part of the breast to treat a breast cancer, tumor, or mass.

(b) Any provision in any contract issued, amended, delivered or renewed in this state ~~on or after January 1, 1997,~~ which is in conflict with this section shall be of no force or effect.

(c) As used in this section, "prosthetic devices" means and includes the provision of initial and subsequent prosthetic devices pursuant to an order of the patient's physician or surgeon.

(d)(1) Nothing in this section shall be construed to require an individual or group policy to cover the surgical procedure known as mastectomy or to prevent application of deductible or copayment provisions contained in the policy or plan, nor shall this section be construed to require that coverage under an individual or group policy be extended to any other procedures.

(2) Nothing in this section shall be construed to authorize an insured or plan member to receive the coverage required by this section if that coverage is furnished by a nonparticipating provider, unless the insured or plan member is referred to that provider by a participating physician, nurse practitioner, or certified nurse midwife providing care.

(3) Nothing in this section shall preclude the conducting of managed care reviews and medical necessity reviews, by an insurer, hospital or medical service corporation or health maintenance organization.

27-41-43.1. Insurance coverage for mastectomy hospital stays . -- (a) The Rhode Island general assembly recognizes that breast cancer is a unique illness with both a physical and emotional impact on patients. Every individual or group hospital or medical services plan contract delivered, issued for delivery, or renewed in this state ~~on or after September 1, 1997,~~ shall provide coverage for a minimum forty-eight (48) hour time period in a hospital after the surgical procedures known as a mastectomy, and a minimum twenty-four (24) hours after an axillary node dissection. Any decision to shorten these minimum coverages shall be made by the attending physician in consultation with and upon agreement by the patient. If the patient participates in an early discharge, defined as in-patient care following a mastectomy that is less than forty-eight (48) hours and in-patient care following an axillary node dissection that is less than twenty-four (24) hours, coverage shall include a minimum of one home visit conducted by a physician or registered nurse.

(b) Any subscriber who is aggrieved by a denial of benefits to be provided under this section may appeal the denial in accordance with regulations of the department of health, which have been promulgated pursuant to chapter 17.12 of title 23. No policy or plan covered under this chapter shall terminate the services, reduce capitation payment, or otherwise penalize an attending physician or other health care provider who orders care consistent with the provisions of this section.

(c) *Notice.* All plans subject to this section shall provide notice to each enrollee:

(1) In the next mass mailing made by the plan to the employee; or

(2) As part of any informational packet sent to the enrollee.

27-41-44. Diabetes treatment. -- (a) Every individual or group health insurance contract, plan, or policy delivered, issued for delivery or renewed in this state ~~on or after January 1, 1997,~~ which provides medical coverage that includes coverage for physician services in a physician's office and every policy which provides major medical or similar comprehensive-type coverage shall include coverage for the following equipment and supplies for the treatment of insulin treated diabetes, non-insulin treated diabetes, and gestational diabetes when medically appropriate and prescribed by a physician blood glucose monitors and blood glucose monitors for the legally blind, test strips for glucose monitors and visual reading, insulin, injection aids, cartridges for the legally blind, syringes, insulin pumps and appurtenances ~~thereto~~ to them, insulin infusion devices, oral agents for controlling blood sugar and therapeutic/molded shoes for the prevention of

1 amputation. Upon the approval of new or improved diabetes equipment and supplies by the Food
2 and Drug Administration, all policies governed by this chapter shall guarantee coverage of this
3 new diabetes equipment and supplies when medically appropriate and prescribed by a physician.
4 These policies shall also include coverage, when medically necessary, for diabetes self-
5 management education to ensure that persons with diabetes are instructed in the self-management
6 and treatment of their diabetes, including information on the nutritional management of diabetes.
7 This coverage for self-management education and education relating to medical nutrition therapy
8 shall be limited to medically necessary visits upon the diagnosis of diabetes, where a physician
9 diagnoses a significant change in the patient's symptoms or conditions which necessitate changes
10 in a patient's self-management, or where reeducation or refresher training is necessary. This
11 education, when medically necessary and prescribed by a physician, may be provided only by the
12 physician or, upon his/her referral to an appropriately licensed and certified health care provider
13 and may be conducted in group settings. Coverage for self-management education and education
14 relating to medical nutrition therapy shall also include home visits when medically necessary.

15 (b) Benefit plans offered by a health maintenance organization may impose copayment
16 and/or deductibles for the benefits mandated by this chapter; ~~however,~~ However, in no instance
17 shall the copayment or deductible amount be greater than the copayment or deductible amount
18 imposed for other supplies, equipment, or physician office visits. Benefits for services under this
19 chapter shall be reimbursed in accordance with the respective principles and mechanisms of
20 reimbursement for each insurer, hospital, or medical service corporation, or health maintenance
21 organization.

22 **27-41-49. Third party reimbursement for services of certain health care workers. --**
23 (a) Every individual or group health insurance contract, plan or policy delivered, issued or
24 renewed by an insurer, health maintenance organization, nonprofit or for profit health service
25 corporation ~~on or after January 1, 1998,~~ which provides benefits to individual subscribers and
26 members within the state, or to all group members having a principal place of employment within
27 the state, shall provide benefits for services rendered by a certified registered nurse anesthetist
28 designated as a certified registered nurse anesthetist by the board of nurse registration and nursing
29 education; provided, however, that the following conditions are met:

30 (1) The certified registered nurse anesthetist provides certain health care services under
31 the supervision of anesthesiologists, licensed physicians or licensed dentists in accordance with §
32 5-34.2-2(c), which requires substantial specialized knowledge, judgment and skill related to the
33 administration of anesthesia, including pre-operative and post-operative assessment of patients;

administering anesthetics; monitoring patients during anesthesia; management of fluids in intravenous therapy and management of respiratory care; and

(2) The policy or contract currently provides benefits for identical services rendered by a provider of health care licensed by the state; and

(3) The certified registered nurse anesthetist is not a salaried employee of the licensed hospital or facility for which the health maintenance organization has an alternative contractual relationship to fund the services of a certified registered nurse anesthetist.

(b) It shall remain within the sole discretion of the health maintenance organization as to which certified registered nurse anesthetists it shall contract with. Reimbursement shall be provided according to the respective principles and policies of the health maintenance organization; provided, however, that no health maintenance organization may be required to pay for duplicative services actually rendered by a certified registered nurse anesthetist and any other health care provider. Nothing contained ~~herein~~ in this section shall preclude the health maintenance organization from conducting managed care, medical necessity or ~~utilization~~ utilization review.

27-41-49.1. Third party reimbursement for services of registered nurse first

assistants. -- (a) Every individual or group health insurance contract, plan or policy delivered, issued or renewed by an insurer, health maintenance organization, nonprofit or for profit health service corporation ~~on or after January 1, 2000~~, which provides benefits to individual subscribers and members within the state, or to all group members having a principal place of employment within the state, shall provide benefits for services rendered by a registered nurse first assistant designed as such; provided, however, that the following conditions are met:

(1) The registered nurse first assistant provides certain health care services under the supervision of a licensed physician; is currently licensed as a registered nurse in Rhode Island; has successfully completed a course in preparing the registered nurse as a first assistant in accordance with the Association of Operating Room Nurses core curriculum guide for the registered nurse first assistant and includes a minimum of one academic year in a college or university with didactic instruction and clinical internship programs; and is certified in perioperative nursing by the Certification Board of Perioperative Nursing (minimum of two years perioperative experience);

(2) The policy or contract, currently provides benefits for identical services rendered by a provider of health care licensed by the state; and

(3) The registered nurse first assistant is not a salaried employee of the licensed hospital or facility for which the health maintenance organization has an alternative contractual relationship to fund the services of a registered nurse first assistant.

(b) It remains within the sole discretion of the health maintenance organization as to which registered nurse first assistant it contracts with. Reimbursement provided according to the respective principles and policies of the health maintenance organization; provided, however, that no health maintenance organization is required to provide direct reimbursement, or pay for duplicative services actually rendered by a registered nurse first assistant and any other health care provider. Nothing contained in this section precludes the health maintenance organization from conducting managed care, medical necessity or utilization review.

27-41-50. Human leukocyte antigen testing. -- Every individual or group hospital or medical services plan contract delivered or renewed in this state ~~on or after March 19, 1998~~ shall include coverage of the cost for human leukocyte antigen testing, also referred to as histocompatibility locus antigen testing, for A, B and DR antigens for utilization in bone marrow transplantation. The testing must be performed in a facility which is accredited by the American Association of Blood Banks or its successors, and is licensed under the Clinical Laboratory Improvement Act, 42 U.S.C. § 263a, as it may be from time to time amended. At the time of the testing, the person being tested must complete and sign an informed consent form which also authorizes the results of the test to be used for participation in the National Marrow Donor Program. The group hospital or medical services plan contract may limit each subscriber to one of these testings per lifetime.

27-41-53.1. Genetic information. -- (a) Except as provided in chapter 37.3 of title 5, insurance administrators, health plans and providers shall be prohibited from releasing genetic information without prior written authorization of the individual. Written authorization shall be required for each disclosure and include to whom the disclosure is being made. An exception shall exist for those participating in research settings governed by the federal policy for the protection of human research subjects (also known as "The Common Rule"). Tests conducted purely for research are excluded from the definition, as are tests for somatic (as opposed to heritable) mutations, and testing for forensic purposes.

(b) No individual or group health insurance contract, plan, or policy delivered, issued for delivery, or renewed in this state ~~on or after January 1, 2002~~, which provides medical coverage that includes coverage for physician services in a physician's office, and every policy which provides major medical or similar comprehensive-type coverage excluding disability income,

1 long term care and insurance supplemental policies which only provide coverage for specified
2 diseases or other supplemental policies, shall:

3 (1) Use genetic information or request for genetic information or the results of genetic
4 information or other genetic information to reject, deny, limit, cancel, refuse to renew, increase
5 the rates of, affect the terms or conditions of, or otherwise affect a group or an individual's health
6 insurance policy, contract, or plan;

7 (2) Request or require genetic information for the purpose of determining whether or not
8 to issue or renew an individual's health benefits coverage, to set reimbursement/co-pay levels or
9 determine covered benefits and services;

10 (3) Release the results of genetic information without the prior written authorization of
11 the individual from whom the information was obtained, except in a format ~~whereby~~ by which
12 individual identifiers are removed, encrypted, or encoded so that the identity of the individual is
13 not disclosed. A recipient of information pursuant to this section may use or disclose the
14 information solely to carry out the purpose for which the information was disclosed.

15 Authorization shall be required for each re-disclosure. An exception shall exist for participation in
16 research settings governed by the federal policy for the protection of human research subjects
17 (also known as "The Common Rule");

18 (4) Request or require information as to whether an individual has genetic information, or
19 participated in genetic information of any kind, whether for clinical or research purposes.

20 (c) For the purposes of this section, "genetic information" is information about genes,
21 gene product, or inherited characteristics that may derive from the individual or a family member.

22 **27-41-54. Disassociation prohibited** -- Notwithstanding any provision of the general or
23 public laws to the contrary, no individual or group health insurance contract, plan, or policy
24 delivered, issued for delivery, or renewed in this state ~~on or after July 23, 1998,~~ which provides
25 medical coverage for physician services in a physician's office, and no policy which provides
26 major medical or similar comprehensive-type coverage for specified diseases or other
27 supplemental policies, shall prohibit a medical provider from ceasing an association with and
28 participation in one health maintenance organization and associating and participating with
29 another health maintenance organization doing business in this state.

30 **27-41-59. F.D.A. approved prescription contraceptive drugs and devices.** -- (a) Every
31 individual or group health insurance contract, plan, or policy that provides prescription coverage
32 and is delivered, issued for delivery, or renewed in this state ~~on or after January 1, 2001,~~ shall
33 provide coverage for F.D.A. approved contraceptive drugs and devices requiring a prescription.

1 Provided, however, that nothing in this subsection shall be deemed to mandate or require
2 coverage for the prescription drug RU 486.

3 (b) Notwithstanding any other provision of this section, any health maintenance
4 corporation may issue to a religious employer an individual or group health insurance contract,
5 plan, or policy that excludes coverage for prescription contraceptive methods which are contrary
6 to the religious employer's bona fide religious tenets.

7 (c) As used in this section, "religious employer" means an employer that is a "church or a
8 qualified church-controlled organization" as defined in 26 U.S.C. § 3121.

9 (d) Every religious employer that invokes the exemption provided under this section shall
10 provide written notice to prospective enrollees prior to enrollment with the plan, listing the
11 contraceptive health care services the employer refuses to cover for religious reasons.

12 **27-41-64. Prompt processing of claims .** -- (a) A health care entity or health plan
13 operating in the state shall pay all complete claims for covered health care services submitted to
14 the health care entity or health plan by a health care provider or by a policyholder within forty
15 (40) calendar days following the date of receipt of a complete written claim or within thirty (30)
16 calendar days following the date of receipt of a complete electronic claim. Each health plan shall
17 establish a written standard defining what constitutes a complete claim and shall distribute this
18 standard to all participating providers.

19 (b) If the health care entity or health plan denies or pends a claim, the health care entity
20 or health plan shall have thirty (30) calendar days from receipt of the claim to notify in writing
21 the health care provider or policyholder of any and all reasons for denying or pending the claim
22 and what, if any, additional information is required to process the claim. No health care entity or
23 health plan may limit the time period in which additional information may be submitted to
24 complete a claim.

25 (c) Any claim that is resubmitted by a health care provider or policyholder shall be
26 treated by the health care entity or health plan pursuant to the provisions of subsection (a) of this
27 section.

28 (d) A health care entity or health plan which fails to reimburse the health care provider or
29 policyholder after receipt by the health care entity or health plan of a complete claim within the
30 required timeframes shall pay to the health care provider or the policyholder who submitted the
31 claim, in addition to any reimbursement for health care services provided, interest which shall
32 accrue at the rate of twelve percent (12%) per annum commencing on the thirty-first (31st) day
33 after receipt of a complete electronic claim or on the forty-first (41st) day after receipt of a

complete written claim, and ending on the date the payment is issued to the health care provider or the policyholder.

(e) Exceptions to the requirements of this section are as follows:

(1) No health care entity or health plan operating in the state shall be in violation of this section for a claim submitted by a health care provider or policyholder if:

(i) Failure to comply is caused by a directive from a court or federal or state agency;

(ii) The health care entity or health plan is in liquidation or rehabilitation or is operating in compliance with a court-ordered plan of rehabilitation; or

(iii) The health care entity or health plan's compliance is rendered impossible due to matters beyond its control which are not caused by it.

(2) No health care entity or health plan operating in the state shall be in violation of this section for any claim: (i) initially submitted more than ninety (90) days after the service is rendered, or (ii) resubmitted more than ninety (90) days after the date the health care provider received the notice provided for in § 27-18-61(b); provided, however, this exception shall not apply in the event compliance is rendered impossible due to matters beyond the control of the health care provider and were not caused by ~~such~~ the health care provider.

(3) No health care entity or health plan operating in the state shall be in violation of this section while the claim is pending due to a fraud investigation by a state or federal agency.

(4) No health care entity or health plan operating in the state shall be obligated under this section to pay interest to any health care provider or policyholder for any claim if the director of the department of business regulation finds that ~~such~~ the entity or plan is in substantial compliance with this section. A health care entity or health plan seeking ~~such a~~ that finding from the director shall submit ~~such~~ any documentation as that the director shall require. A health care entity or health plan which is found to be in substantial compliance with this section shall ~~thereafter~~ submit ~~such~~ any documentation as the the director may require on an annual basis for the director to assess ongoing compliance with this section.

(5) A health care entity or health plan may petition the director for a waiver of the provision of this section for a period not to exceed ninety (90) days in the event the health care entity or health plan is converting or substantially modifying its claims processing systems.

(f) For purposes of this section, the following definitions shall apply:

(1) "Claim" means: (i) a bill or invoice for covered services; (ii) a line item of service; or (iii) all services for one patient or subscriber within a bill or invoice.

(2) "Date of receipt" means the date the health care entity or health plan receives the claim whether via electronic submission or as a paper claim.

1 (3) “Health care entity” means a licensed insurance company or nonprofit hospital or
2 medical or dental service corporation or plan or health maintenance organization, or a contractor
3 as described in § 23-17.13-2(2); that operates a health plan.

4 (4) “Health care provider” means an individual clinician, either in practice independently
5 or in a group, who provides health care services, and otherwise referred to as a non-institutional
6 provider.

7 (5) “Health care services” include, but are not limited to, medical, mental health,
8 substance abuse, dental and any other services covered under the terms of the specific health plan.

9 (6) “Health plan” means a plan operated by a health care entity that provides for the
10 delivery of health care services to persons enrolled in ~~such~~ the plans through:

11 (i) Arrangements with selected providers to furnish health care services; and/or

12 (ii) Financial incentive for persons enrolled in the plan to use the participating providers
13 and procedures provided for by the health plan.

14 (7) “Policyholder” means a person covered under a health plan or a representative
15 designated by ~~such~~ that person.

16 (8) “Substantial compliance” means that the health care entity or health plan is processing
17 and paying ninety-five percent (95%) or more of all claims within the time frame provided for in
18 § 27-18-61(a) and (b).

19 (g) Any provision in a contract between a health care entity or a health plan and a health
20 care provider which is inconsistent with this section shall be void and of no force and effect.

21 SECTION 86. Section 27-41-55 of the General Laws in Chapter 27-41 entitled “Health
22 Maintenance Organizations” is hereby repealed in its entirety.

23 **27-41-55. Conditions of coverage.** — ~~As provided in § 27-41-41, coverage is extended to~~
24 ~~new cancer therapies still under investigation when the following circumstances are present:~~

25 ~~(a) Treatment is being provided pursuant to a phase II, III or IV clinical trial which has~~
26 ~~been approved by the National Institutes of Health (NIH) in cooperation with the National Cancer~~
27 ~~Institute (NCI), community clinical oncology programs; the Food and Drug Administration in the~~
28 ~~form of an investigational new drug (IND) exemption; the Department of Veterans’ Affairs; or a~~
29 ~~qualified nongovernmental research entity as identified in the guidelines for NCI cancer center~~
30 ~~support grants;~~

31 ~~(b) The proposed therapy has been reviewed and approved by a qualified institutional~~
32 ~~review board (IRB);~~

33 ~~(c) The facility and personnel providing the treatment are capable of doing so by virtue of~~
34 ~~their experience, training, and volume of patients treated to maintain expertise;~~

1 ~~(d) The patients receiving the investigational treatment meet all protocol requirements;~~

2 ~~(e) There are no clearly superior, noninvestigational alternatives to the protocol~~
3 ~~treatment;~~

4 ~~(f) The available clinical or preclinical data provide a reasonable expectation that the~~
5 ~~protocol treatment will be at least as efficacious as the noninvestigational alternative; and~~

6 ~~(g) The coverage of new cancer therapy treatment provided pursuant to a phase II clinical~~
7 ~~trial is not required for only the portion of that treatment as is provided as part of the phase II~~
8 ~~clinical trial and is otherwise funded by a national agency, such as the National Cancer Institute,~~
9 ~~the Veteran's Administration, the Department of Defense, or funded by commercial organizations~~
10 ~~such as the biotechnical and/or pharmaceutical industry or manufacturers of medical devices. Any~~
11 ~~portions of a phase II trial which are customarily funded by government, biotechnical and/or~~
12 ~~pharmaceutical and/or medical device industry sources in Rhode Island or in other states shall~~
13 ~~continue to be funded in Rhode Island and coverage pursuant to this section supplements, does~~
14 ~~not supplant, customary funding.~~

15 SECTION 87. Section 27-43-2 of the General Laws in Chapter 27-43 entitled "Captive
16 Insurance Companies" is hereby amended to read as follows:

17 **27-43-2. Incorporation of captive insurance companies in this state.** -- (a) A

18 subsidiary captive insurance company shall be incorporated as a stock insurance company with its
19 capital divided into shares and held by the stockholders.

20 (b) An association captive insurance company or an industrial insured captive insurance
21 company may be:

22 (1) Incorporated as a stock insurance company with its capital divided into shares and
23 held by the stockholders; or

24 (2) Incorporated as a mutual insurance company without capital stock, the governing
25 body of which is elected by the member organizations of its association; or

26 (3) Organized as a reciprocal insurer in accordance with chapter 17 of this title.

27 (c) A captive insurance company which is formed as a corporation shall have not less
28 than three (3) incorporators of whom not less than two (2) shall be residents of this state.

29 (d) (1) In the case of a captive insurance company formed as a corporation, before the
30 articles of association are transmitted to the secretary of state, the incorporators shall petition the
31 commissioner to issue a certificate setting forth his or her finding that the establishment and
32 maintenance of the proposed corporation will promote the general good of the state. In arriving at
33 the finding, the commissioner shall consider:

1 (i) ~~(A)~~ The character, reputation, financial responsibility, insurance experience, and
2 business qualifications of the incorporators and the proposed officers and directors;

3 (ii) ~~(B)~~ The sources and availability of its capital; and

4 (iii) ~~(C)~~ Other financial and business matters that the commissioner deems advisable.

5 (2) In the case of a captive insurance company formed as a reciprocal insurer, the
6 organizers shall petition the commissioner to issue a certificate setting forth the commissioner's
7 finding that the establishment and maintenance of the proposed association will promote the
8 general good of the state. In arriving at ~~such a~~ that finding the commissioner shall consider:

9 (i) The character, reputation, financial responsibility, insurance experience, and business
10 qualifications of the organizers and the attorney in fact;

11 (ii) The sources and availability of its capital; and

12 (iii) Other financial and business matters that the commissioner shall deem advisable.

13 (e) The articles of association, the certificate, and the organization fee shall be
14 transmitted to the secretary of state, who shall ~~thereupon~~ then record both the articles of
15 incorporation and the certificate.

16 (f) The capital stock of a captive insurance company incorporated as a stock insurance
17 company shall be issued at not less than par value, and all capital insurance companies shall have
18 the minimum capital provided in § 27-43-4.

19 (g) (1) In the case of a captive insurance company formed as a corporation in this state,
20 at least one of the members of the board of directors of a captive insurance company incorporated
21 in this state shall be a resident of this state.

22 (2) In the case of a captive insurance company formed as a reciprocal insurer in this state,
23 at least one of the members of the subscribers' advisory committee shall be a resident of this
24 state.

25 (h) Every captive insurance company referenced within this subsection has the powers
26 contained in this chapter, and is subject to the provisions of this chapter, chapter 1 of this title,
27 and chapter 1.1 of title 7; provided, that insofar as the provisions of this chapter are inconsistent
28 with the provisions of chapter 1 of this title or chapter 1.1 of title 7, the provisions of this chapter
29 are controlling.

30 (i) Captive insurance companies formed as corporations under the provisions of this
31 chapter have the privileges and are subject to the provisions of the general corporation law and
32 the applicable provisions contained in this chapter. In the event of conflict between the provisions
33 of the general corporation law and the provisions of this chapter, this chapter controls.

1 (j) Captive insurance companies formed as reciprocal insurers under the provisions of
2 this chapter have all the privileges and are subject to all the obligations imposed by chapter 17 of
3 this title in addition to the applicable provisions of this chapter. In the event of a conflict between
4 the provisions of chapter 17 and the provisions of this chapter, this chapter controls. However, to
5 the extent that chapter 17 also subjects a reciprocal insurer to the other provisions of this title,
6 these other provisions are not applicable to a reciprocal insurer formed under this chapter unless
7 these provisions are expressly made applicable to these captive insurance companies by this
8 chapter.

9 (k) The articles of incorporation or bylaws of a captive insurance company formed as a
10 corporation may authorize a quorum of a board of directors to consist of no fewer than one third
11 (1/3) of the fixed or a majority of the prescribed number of directors as determined by the charter
12 or the bylaws of the corporation or by ~~paragraph 34 of section 1.1 of title 7~~ § 7-1.1-34.

13 (l) The subscribers' agreement or other organizing document of a captive insurance
14 company formed as a reciprocal insurer may authorize a quorum of a subscriber's advisory
15 committee to consist of no less than one third (1/3) of the number of its members.

16 SECTION 88. Sections 27-46-4 and 27-46-8 of the General Laws in chapter 27-46
17 entitled "Risk Retention Act" are hereby amended to read as follows:

18 **27-46-4. Risk retention groups not chartered in this state.** -- Risk retention groups
19 chartered and licensed in states other than this state and seeking to do business as a risk retention
20 group in this state shall comply with the laws of this state as follows:

21 (1) *Notice of operations and designation of commissioner as agent.*

22 (i) Before offering insurance in this state, a risk retention group shall submit to the
23 commissioner:

24 (A) A statement identifying the state or states in which the risk retention group is
25 chartered and licensed as a liability insurance company, charter date, its principal place of
26 business, and ~~such~~ any other information, including information on its membership, ~~as that the~~
27 commissioner of this state may require to verify that the risk retention group is qualified under §
28 27-46-2(11);

29 (B) A copy of its plan of operations or feasibility study and revisions of the plan or study
30 submitted to the state in which the risk retention group is chartered and licensed; provided,
31 however, that the provision relating to the submission of a plan of operation or feasibility study
32 shall not apply with respect to any line or classification of liability insurance which:

33 (I) Was defined in § 15 U.S.C. 3901 et seq. before October 27, 1986; and

(II) Was offered before that date by any risk retention group which had been chartered and operating for not less than three (3) years before that date;

(ii) The risk retention group shall submit a copy of any revision to its plan of operation or feasibility study required by § 27-46-3(b) at the same time that the revisions is submitted to the commissioner of its chartering state; and

(iii) The risk retention group shall submit a statement of registration which designates the commissioner as its agents for the purpose of receiving service of legal documents or process;

(2) *Financial condition.* Any risk retention group doing business in this state shall submit to the commissioner:

(i) A copy of the group's financial statement submitted annually to the state in which the risk retention group is chartered and licensed which shall be certified by an independent public accountant and contain a statement of opinion on loss and loss adjustment expense reserves made by a member of the American academy of actuaries or a qualified loss reserve specialist, under criteria established by the national association of insurance commissioners;

(ii) A copy of each examination of the risk retention group as certified by the commissioner or public official conducting the examination;

(iii) Upon request by the commissioner, a copy of any information or document pertaining to any outside audit performed with respect to the risk retention group; and

(iv) ~~Such~~ Any information as that may be required to verify its continuing qualification as a risk retention group under § 27-46-2(11);

(3) *Taxation.*

(i) Each risk retention group shall be liable for the payment of premium taxes and taxes on premiums of direct business for risks resident or located within this state, and shall report to the commissioner the net premiums written for risks resident or located within this state. The risk retention group shall be subject to taxation, and any applicable fines and penalties related ~~thereto~~ to taxation, on the same basis as a foreign admitted insurer;

(ii) To the extent licensed agents or brokers or insurance producers are utilized pursuant to § 27-46-12, they shall report to the commissioner the premiums for direct business for risks resident or located within this state which those licensees have placed with or on behalf of a risk retention group not chartered in this state;

(iii) To the extent that insurance agents or brokers or producers are utilized pursuant to § 27-46-12, the agent or broker or insurance producers shall keep a complete and separate record of all policies procured from each risk retention group, which record shall be open to examination by the commissioner. The total cost of the examinations shall be paid for in the same manner as

1 set forth in § 27-13-1. These records shall, for each policy and each kind of insurance provided
2 ~~thereunder~~ under them, include the following:

3 (A) The limit of liability;

4 (B) The time period covered;

5 (C) The effective date;

6 (D) The name of the risk retention group which issued the policy;

7 (E) The gross premium charged; and

8 (F) The amount of return premiums, if any;

9 (4) *Adherence to fair claims settlement practices.* Any risk retention group, its agents,
10 and representatives shall comply with any law or regulations regarding claims settlement
11 practices;

12 (5) *Deceptive, false, or fraudulent practices.* Any risk retention group shall comply with
13 and be subject to the laws of this state regarding deceptive, false, or fraudulent acts or practices;

14 (6) *Examination regarding financial condition.* Any risk retention group must submit to
15 an examination by the commissioner to determine its financial condition if the commissioner of
16 the jurisdiction in which the group is chartered and licensed has not initiated an examination or
17 does not initiate an examination within sixty (60) days after a request by the commissioner of this
18 state. Any examination shall be coordinated to avoid unjustified repetition and conducted in an
19 expeditious matter and in accordance with the NAIC's examiner handbook. The total cost of the
20 examination shall be paid for in the same manner as set forth in § 27-13-1;

21 (7) *Notice of purchasers.* Every application form for insurance from a risk retention group,
22 and every policy, on its front and declaration pages, issued by a risk retention group, shall contain
23 in ten (10) point type the following notice:

24 NOTICE

25 THIS POLICY IS ISSUED BY YOUR RISK RETENTION GROUP. YOUR RISK
26 RETENTION GROUP MAY NOT BE SUBJECT TO ALL OF THE INSURANCE LAWS AND
27 REGULATIONS OF YOUR STATE. STATE INSURANCE INSOLVENCY GUARANTY
28 FUNDS ARE NOT AVAILABLE FOR YOUR RISK RETENTION GROUP.

29 (8) *Prohibited acts regarding solicitation or sale.* The following acts by a risk retention
30 group are ~~hereby~~ prohibited:

31 (i) The solicitation or sale of insurance by a risk retention group to any person who is not
32 eligible for membership in the group; and

33 (ii) The solicitation or sale of insurance, by, or operation of, a risk retention group that is
34 in hazardous financial condition or financially impaired;

1 (9) *Prohibition on ownership by an insurance company.* No risk retention group shall be
2 allowed to do business in this state if an insurance company is directly or indirectly a member or
3 owner of the risk retention group, other than in the case of a risk retention group all of whose
4 members are insurance companies;

5 (10) *Prohibited coverage.* The terms of any insurance policy issued by any risk retention
6 group shall not provide, or be construed to provide, coverage prohibited generally by statute of
7 this state or declared unlawful by the highest court of this state whose law applies to the policy;

8 (11) *Delinquency proceedings.* A risk retention group not chartered in this state and doing
9 business in this state shall comply with a lawful order issued in a voluntary dissolution
10 proceeding or in a delinquency or liquidation proceeding commenced by the state insurance
11 commissioner if there has been a finding of financial impairment after an examination under
12 ~~subsection~~ subdivision (6) of this section; and

13 (12) *Penalties.* A risk retention group that violates any provision of this chapter will be
14 subject to fines and penalties including revocation of its right to do business in this state,
15 applicable to licensed insurers generally;~~;~~ ~~and~~

16 ~~(13) Operation prior to enactment of this chapter. In addition to complying with the requirements~~
17 ~~of this section, any risk retention group operating in this state prior to enactment of this chapter~~
18 ~~shall, within thirty (30) days after June 18, 1991, comply with the provision of subsection (1)(i).~~

19 **27-46-8. Notice and registration requirements of purchasing groups .** -- (a) A
20 purchasing group which intends to do business in this state shall, prior to doing business, furnish
21 notice to the commissioner which shall:

22 (1) Identify the state in which the group is domiciled;

23 (2) Identify all other states in which the group intends to do business;

24 (3) Specify the lines and classifications of liability insurance which the purchasing group
25 intends to purchase;

26 (4) Identify the insurance company or companies from which the group intends to
27 purchase its insurance and the domicile of the company;

28 (5) Specify the method by which, and the person or persons, if any, through whom
29 insurance will be offered to its members whose risks are resident or located in this state;

30 (6) Identify the principal place of business of the group; and

31 (7) Provide ~~such~~ any other information as that may be required by the commissioner to
32 verify that the purchasing group is qualified under § 27-46-2(10).

33 (b) A purchasing group shall, within ten (10) days, notify the commissioner of any
34 changes in any of the items set forth in subsection (a) of this section.

(c) The purchasing group shall register with and designate the commissioner as its agent solely for the purpose of receiving service of legal documents or process, for which a filing fee shall be determined by the commissioner, except that these requirements shall not apply in the case of a purchasing group which only purchases insurance that was authorized under the federal Products Liability Risk Retention Act of 1981, 15 U.S.C. § 3901 et seq., and:

(1) Which in any state of the United States:

(i) Was domiciled before April 1, 1986; and

(ii) Is domiciled on and after October 27, 1986;

(2) Which:

(i) Before October 27, 1986 purchased insurance from an insurance carrier licensed in any state; and

(ii) Since October 27, 1986 purchased its insurance from an insurance carrier licensed in any state; or

(3) Which was a purchasing group under the requirements of 15 U.S.C. § 3901 et seq. before October 27, 1986.

(d) Each purchasing group that is required to give notice pursuant to subsection (a) shall also furnish the information that may be required by the commissioner to:

(1) Verify that the entity qualifies as a purchasing group;

(2) Determine where the purchasing group is located; and

(3) Determine appropriate tax treatment.

~~(e) Any purchasing group which was doing business in this state prior to the enactment of this chapter, within thirty (30) days after June 18, 1991, shall furnish notice to the commissioner pursuant to the provisions of subsection (a) and furnish the information that may be required pursuant to subsections (b) and (c).~~

SECTION 89. Section 27-49-3.1 of the General Laws in chapter 27-49 entitled “Motor Vehicle Theft and Motor Vehicle Insurance Fraud Reporting – Immunity Act” is hereby amended to read as follows:

27-49-3.1. Disclosure of personal information obtained in connection with motor vehicle records. -- (a) *Purpose.* The purpose of this section is to implement the federal Driver’s Privacy Protection Act of 1994 (“DPPA”), 18 U.S.C. § 2721.

(b) *Definitions.* As defined in 18 U.S.C. § 2725, the following definitions apply to this section:

1 (1) “Motor vehicle record” means any record that pertains to a motor vehicle operator’s
2 permit, motor vehicle title, motor vehicle registration, or identification card issued by the
3 department of motor vehicles;

4 (2) “Person” means an individual, organization, or entity, but does not include a state or
5 agency ~~thereof~~ of a state; and

6 (3) “Personal information” means information that identifies an individual, including an
7 individual’s photograph, social security number, driver identification number, name, address (but
8 not the 5 digit zip code), telephone number, and medical or disability information, but does not
9 include information on vehicular accidents, driving violations, and driver’s status.

10 (c) *Prohibition on release and use of certain personal information from state motor*
11 *vehicle records.*

12 (1) *In general.* Except as provided in ~~subsection (c)~~ subdivision (2) of this section, the
13 department of motor vehicles, and any officer, employee, or contractor ~~thereof~~ of the department,
14 shall not knowingly disclose or otherwise make available to any person or entity personal
15 information about any individual obtained by the department in connection with a motor vehicle
16 record.

17 (2) *Permissible uses.* Personal information referred to in ~~subsection (c)~~ subdivision (1) of
18 this section shall be disclosed for use in connection with matters of motor vehicle or driver safety
19 and theft, motor vehicle emissions, motor vehicle product alterations, recalls, or advisories,
20 performance monitoring of motor vehicles and dealers by motor vehicle manufacturers, and
21 removal of nonowner records from the original owner records of motor vehicles manufacturers to
22 carry out the purposes of the Automobile Information Disclosure Act, 15 U.S.C. § 1231 et seq.,
23 the Motor Vehicle Information and Cost Saving Act (see now 49 U.S.C. § 32101 et seq.), the
24 National Traffic and Motor Vehicle Safety Act of 1966 (see now 49 U.S.C. § 30101 et seq.), and
25 Anti-Car Theft Act of 1992 (see now 49 U.S.C. § 32101 et seq.), and the Clean Air Act, 42
26 U.S.C. § 7401 et seq., and may be disclosed as follows:

27 (i) ~~(a)~~ For use by any government agency, including any court or law enforcement
28 agency, in carrying out its functions, or any private person or entity acting on behalf of a federal,
29 state, or local agency in carrying out its functions.

30 (ii) ~~(b)~~ For use in connection with matters of motor vehicle or driver safety and theft;
31 motor vehicle emissions; motor vehicle product alterations, recalls or advisories; performance
32 monitoring of motor vehicles, motor vehicle parts and dealers; motor vehicle market research
33 activities, including survey research; and removal of nonowner records from the original owner
34 records of motor vehicle manufacturers.

1 ~~(iii) (e)~~ For use in the normal course of business by a legitimate business or its agents,
2 employees, or contractors, but only:

3 ~~(A) (i)~~ To verify the accuracy of personal information submitted by the individual to the
4 business of its agents, employees, or contractors, and

5 ~~(B) (ii)~~ If the information as submitted is not correct or is no longer correct, to obtain the
6 correct information, but only for the purposes of preventing fraud by pursuing legal remedies
7 against, or recovering on a debt or security interest against, the individual.

8 ~~(iv) (d)~~ For use in connection with any civil, criminal, administrative, or arbitral
9 proceeding in any federal, state, or local agency or before any self-regulatory body, including the
10 service of process, investigation in anticipation of litigation, and the execution or enforcement of
11 judgments and orders, or pursuant to an order of a federal, state, or local court.

12 ~~(v) (e)~~ For use in research activities, and for use in producing statistical reports, so long
13 as the personal information is not published, redisclosed, or used to contact the individuals.

14 ~~(vi) (f)~~ For use by any insurer or insurance support organization, or by a self-insured
15 entity, or its agents, employees, or contractors in connection with claims investigation activities,
16 anti-fraud activities, rating or underwriting.

17 ~~(vii) (g)~~ For use in providing notice to the owners of towed or impounded vehicles.

18 ~~(viii) (h)~~ For use by any licensed private investigative agency or licensed security service
19 for any purpose permitted under this subsection.

20 ~~(ix) (i)~~ For use by an employer or its agent or insurer to obtain or verify information
21 relating to a holder of a commercial driver's license that is required under the Commercial Motor
22 Vehicle Safety Act of 1986 ~~(49 U.S.C. App. 2710 et seq.)~~ (see now 49 U.S.C. § 31301 et seq.).

23 ~~(x) (j)~~ For use in connection with the operation of private toll transportation facilities.

24 ~~(xi) (k)~~ For any other use in response to a request for individual motor vehicle records,
25 unless ~~such~~ that use is prohibited by the individual.

26 ~~(xii) (l)~~ For bulk distribution for surveys, marketing or solicitations, provided that the
27 information will be used, rented or sold solely for bulk distribution for surveys, marketing, and
28 solicitations and that surveys, marketing, and solicitations will not be directed at those individuals
29 who have requested in a timely fashion that they not be directed at them.

30 (3) Notice. The department of motor vehicles shall provide in a clear and conspicuous
31 manner on forms for issuance or renewal of operators permits, titles, registrations or identification
32 cards, notice that personal information collected by the department may be disclosed to any
33 business or person and provide in a clear and conspicuous manner on the forms an opportunity to

1 prohibit ~~such~~ the disclosures; provided, further, however, that social security numbers and
2 medical or disability information shall not be subject to disclosure under this chapter.

3 SECTION 90. Sections 27-50-3, 27-50-4, and 27-50-7 of the General Laws in Chapter
4 27-50 entitled "Small Employer Health Insurance Availability Act" are hereby amended to read
5 as follows:

6 **27-50-3. Definitions.** -- (a) "Actuarial certification" means a written statement signed
7 by a member of the American academy of actuaries or other individual acceptable to the director
8 that a small employer carrier is in compliance with the provisions of § 27-50-5, based upon the
9 person's examination and including a review of the appropriate records and the actuarial
10 assumptions and methods used by the small employer carrier in establishing premium rates for
11 applicable health benefit plans.

12 (b) "Adjusted community rating" means a method used to develop a carrier's premium
13 which spreads financial risk across the carrier's entire small group population in accordance with
14 the requirements in § 27-50-5.

15 (c) "Affiliate" or "affiliated" means any entity or person who directly or indirectly
16 through one or more intermediaries controls or is controlled by, or is under common control with,
17 a specified entity or person.

18 (d) "Affiliation period" means a period of time that must expire before health insurance
19 coverage provided by a carrier becomes effective, and during which the carrier is not required to
20 provide benefits.

21 (e) "Basic health benefit plan" means the health benefit plan developed pursuant to the
22 provisions of § 27-50-10.

23 (f) "Bona fide association" means, with respect to health benefit plans offered in this
24 state, an association which:

25 (1) Has been actively in existence for at least five (5) years;

26 (2) Has been formed and maintained in good faith for purposes other than obtaining
27 insurance;

28 (3) Does not condition membership in the association on any health-status related factor
29 relating to an individual (including an employee of an employer or a dependent of an employee);

30 (4) Makes health insurance coverage offered through the association available to all
31 members regardless of any health status-related factor relating to those members (or individuals
32 eligible for coverage through a member);

33 (5) Does not make health insurance coverage offered through the association available
34 other than in connection with a member of the association;

1 (6) Is composed of persons having a common interest or calling;

2 (7) Has a constitution and bylaws; and

3 (8) Meets any additional requirements that the director may prescribe by regulation.

4 (g) “Carrier” or “small employer carrier” means all entities licensed, or required to be

5 licensed, in this state that offer health benefit plans covering eligible employees of one or more

6 small employers pursuant to this chapter. For the purposes of this chapter, carrier includes an

7 insurance company, a nonprofit hospital or medical service corporation, a fraternal benefit

8 society, a health maintenance organization as defined in chapter 41 of this title or as defined in

9 chapter 62 of title 42, or any other entity providing a plan of health insurance or health benefits

10 subject to state insurance regulation.

11 (h) “Church plan” has the meaning given this term under section 3(33) of the Employee

12 Retirement Income Security Act of 1974 [29 U.S.C. § 1002(33)].

13 (i) “Control” shall be defined in the same manner as in chapter 35 of this title.

14 (j) (1) “Creditable coverage” means, with respect to an individual, health benefits or

15 coverage provided under any of the following:

16 (i) A group health plan;

17 (ii) A health benefit plan;

18 (iii) Part A or part B of Title XVIII of the Social Security Act, [42 U.S.C. § 1395c et seq.

19 or 42 U.S.C. § 1395j et seq.} (Medicare);

20 (iv) Title XIX of the Social Security Act, [42 U.S.C. § 1396 et seq.} (Medicaid), other

21 than coverage consisting solely of benefits under ~~section 1928~~ [42 U.S.C. § 1396s} (the program

22 for distribution of pediatric vaccines);

23 (v) ~~Chapter 55 of title 10, United States Code~~ [10 U.S.C. § 1071 et seq.} (medical and

24 dental care for members and certain former members of the uniformed services, and for their

25 dependents) (Civilian Health and Medical Program of the Uniformed Services) (CHAMPUS). For

26 purposes of ~~title 10, chapter 55~~ 10 U.S.C. § 1071 et seq., “uniformed services” means the armed

27 forces and the commissioned corps of the national oceanic and atmospheric administration and of

28 the public health service;

29 (vi) A medical care program of the ~~Indian health service~~ Indian Health Service or of a

30 tribal organization;

31 (vii) A state health benefits risk pool;

32 (viii) A health plan offered under ~~chapter 89 of title 5, United States Code~~ [5 U.S.C. §

33 8901 et seq.} (Federal Employees Health Benefits Program (FEHBP));

(ix) A public health plan, which for purposes of this chapter, means a plan established or maintained by a state, county, or other political subdivision of a state that provides health insurance coverage to individuals enrolled in the plan; or

(x) A health benefit plan under section 5(e) of the Peace Corps Act (22 U.S.C. 2504(e)).

(2) A period of creditable coverage shall not be counted, with respect to enrollment of an individual under a group health plan, if, after the period and before the enrollment date, the individual experiences a significant break in coverage.

(k) “Dependent” means a spouse, an unmarried child under the age of nineteen (19) years, an unmarried child who is a full-time student under the age of twenty-five (25) years and who is financially dependent upon the parent, and an unmarried child of any age who is medically certified as disabled and dependent upon the parent.

(l) “Director” means the director of the department of business regulation.

(m) “Economy health plan” means a lower cost health benefit plan developed pursuant to the provisions of § 27-50-10.

(n) “Eligible employee” means an employee who works on a full-time basis with a normal work week of thirty (30) or more hours, except that at the employer’s sole discretion, the term shall also include an employee who works on a full-time basis with a normal work week of anywhere between at least seventeen and one-half (17.5) and thirty (30) hours, so long as this eligibility criterion is applied uniformly among all of the employer’s employees and without regard to any health status-related factor. The term includes a self-employed individual, a sole proprietor, a partner of a partnership, and may include an independent contractor, if the self-employed individual, sole proprietor, partner, or independent contractor is included as an employee under a health benefit plan of a small employer, but does not include an employee who works on a temporary or substitute basis or who works less than seventeen and one-half (17.5) hours per week. Persons covered under a health benefit plan pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1986 shall not be considered “eligible employees” for purposes of minimum participation requirements pursuant to § 27- 50-7(d)(9).

(o) “Enrollment date” means the first day of coverage or, if there is a waiting period, the first day of the waiting period, whichever is earlier.

(p) “Established geographic service area” means a geographic area, as approved by the director and based on the carrier’s certificate of authority to transact insurance in this state, within which the carrier is authorized to provide coverage.

(q) “Family composition” means:

(1) Enrollee;

1 (2) Enrollee, spouse and children;

2 (3) Enrollee and spouse; or

3 (4) Enrollee and children.

4 (r) “Genetic information” means information about genes, gene products, and inherited
5 characteristics that may derive from the individual or a family member. This includes information
6 regarding carrier status and information derived from laboratory tests that identify mutations in
7 specific genes or chromosomes, physical medical examinations, family histories, and direct
8 analysis of genes or chromosomes.

9 (s) “Governmental plan” has the meaning given the term under section 3(32) of the
10 Employee Retirement Income Security Act of 1974, {29 U.S.C. § 1002(32),} and any federal
11 governmental plan.

12 (t) (1) “Group health plan” means an employee welfare benefit plan as defined in section
13 3(1) of the Employee Retirement Income Security Act of 1974, {29 U.S.C. § 1002(1),} to the
14 extent that the plan provides medical care, as defined in subsection (z), and including items and
15 services paid for as medical care to employees or their dependents as defined under the terms of
16 the plan directly or through insurance, reimbursement, or otherwise.

17 (2) For purposes of this chapter:

18 (i) Any plan, fund, or program that would not be, but for PHSA section 2721(e), {42
19 U.S.C. § 300gg(e),} as added by Pub. L. No. 104-191, an employee welfare benefit plan and that
20 is established or maintained by a partnership, to the extent that the plan, fund or program provides
21 medical care, including items and services paid for as medical care, to present or former partners
22 in the partnership, or to their dependents, as defined under the terms of the plan, fund or program,
23 directly or through insurance, reimbursement or otherwise, shall be treated, subject to
24 ~~subparagraph~~ paragraph (ii) of this subdivision, as an employee welfare benefit plan that is a
25 group health plan;

26 (ii) In the case of a group health plan, the term “employer” also includes the partnership
27 in relation to any partner; and

28 (iii) In the case of a group health plan, the term “participant” also includes an individual
29 who is, or may become, eligible to receive a benefit under the plan, or the individual’s beneficiary
30 who is, or may become, eligible to receive a benefit under the plan, if:

31 (A) In connection with a group health plan maintained by a partnership, the individual is
32 a partner in relation to the partnership; or

1 (B) In connection with a group health plan maintained by a self-employed individual,
2 under which one or more employees are participants, the individual is the self-employed
3 individual.

4 (u) (1) “Health benefit plan” means any hospital or medical policy or certificate, major
5 medical expense insurance, hospital or medical service corporation subscriber contract, or health
6 maintenance organization subscriber contract. Health benefit plan includes short-term and
7 catastrophic health insurance policies, and a policy that pays on a cost-incurred basis, except as
8 otherwise specifically exempted in this definition.

9 (2) “Health benefit plan” does not include one or more, or any combination of, the
10 following:

11 (i) Coverage only for accident or disability income insurance, or any combination of
12 those;

13 (ii) Coverage issued as a supplement to liability insurance;

14 (iii) Liability insurance, including general liability insurance and automobile liability
15 insurance;

16 (iv) Workers’ compensation or similar insurance;

17 (v) Automobile medical payment insurance;

18 (vi) Credit-only insurance;

19 (vii) Coverage for on-site medical clinics; and

20 (viii) Other similar insurance coverage, specified in federal regulations issued pursuant to
21 Pub. L. No. 104-191, under which benefits for medical care are secondary or incidental to other
22 insurance benefits.

23 (3) “Health benefit plan” does not include the following benefits if they are provided
24 under a separate policy, certificate, or contract of insurance or are otherwise not an integral part
25 of the plan:

26 (i) Limited scope dental or vision benefits;

27 (ii) Benefits for long-term care, nursing home care, home health care, community-based
28 care, or any combination of those; or

29 (iii) Other similar, limited benefits specified in federal regulations issued pursuant to Pub.
30 L. No. 104-191.

31 (4) “Health benefit plan” does not include the following benefits if the benefits are
32 provided under a separate policy, certificate or contract of insurance, there is no
33 coordination between the provision of the benefits and any exclusion of benefits under
34 any group health plan maintained by the same plan sponsor, and the benefits are paid

1 with respect to an event without regard to whether benefits are provided with respect to
2 such an event under any group health plan maintained by the same plan sponsor:

3 (i) Coverage only for a specified disease or illness; or
4 (ii) Hospital indemnity or other fixed indemnity insurance.

5 (5) “Health benefit plan” does not include the following if offered as a separate policy,
6 certificate, or contract of insurance:

7 (i) Medicare supplemental health insurance as defined under section 1882(g)(1) of the
8 Social Security Act, ~~42 U.S.C. § 1395ss(g)(1);~~;

9 (ii) Coverage supplemental to the coverage provided under ~~chapter 55 of title 10, United~~
10 ~~States Code~~ ~~10 U.S.C. § 1071 et seq.;~~ or

11 (iii) Similar supplemental coverage provided to coverage under a group health plan.

12 (6) A carrier offering policies or certificates of specified disease, hospital confinement
13 indemnity, or limited benefit health insurance shall comply with the following:

14 (i) The carrier files on or before March 1 of each year a certification with the director that
15 contains the statement and information described in ~~subparagraph~~ paragraph (ii) of this
16 subdivision;

17 (ii) The certification required in ~~subparagraph~~ paragraph (i) of this subdivision shall
18 contain the following:

19 (A) A statement from the carrier certifying that policies or certificates described in this
20 paragraph are being offered and marketed as supplemental health insurance and not as a substitute
21 for hospital or medical expense insurance or major medical expense insurance; and

22 (B) A summary description of each policy or certificate described in this paragraph,
23 including the average annual premium rates (or range of premium rates in cases where premiums
24 vary by age or other factors) charged for those policies and certificates in this state; and

25 (iii) In the case of a policy or certificate that is described in this paragraph and that is
26 offered for the first time in this state on or after ~~the effective date of the chapter~~ July 13, 2000,;
27 the carrier ~~files~~ shall file with the director the information and statement required in ~~subparagraph~~
28 paragraph (ii) of this subdivision at least thirty (30) days prior to the date the policy or certificate
29 is issued or delivered in this state.

30 (v) “Health maintenance organization” or “HMO” means a health maintenance
31 organization licensed under chapter 41 of this title.

32 (w) “Health status-related factor” means any of the following factors:

33 (1) Health status;
34 (2) Medical condition, including both physical and mental illnesses;

- 1 (3) Claims experience;
- 2 (4) Receipt of health care;
- 3 (5) Medical history;
- 4 (6) Genetic information;
- 5 (7) Evidence of insurability, including conditions arising out of acts of domestic violence;
- 6 or
- 7 (8) Disability.

8 (x) (1) “Late enrollee” means an eligible employee or dependent who requests
9 enrollment in a health benefit plan of a small employer following the initial enrollment period
10 during which the individual is entitled to enroll under the terms of the health benefit plan,
11 provided that the initial enrollment period is a period of at least thirty (30) days.

12 (2) “Late enrollee” does not mean an eligible employee or dependent:

13 (i) Who meets each of the following:

14 (A) The individual was covered under creditable coverage at the time of the initial
15 enrollment;

16 (B) The individual lost creditable coverage as a result of cessation of employer
17 contribution, termination of employment or eligibility, reduction in the number of hours of
18 employment, involuntary termination of creditable coverage, or death of a spouse, divorce or
19 legal separation, or the individual and/or dependents are determined to be eligible for RItCare
20 under chapter 5.1 of title 40 or chapter 12.3 of title 42 or for RItShare under chapter 8.4 of title
21 40; and

22 (C) The individual requests enrollment within thirty (30) days after termination of the
23 creditable coverage or the change in conditions that gave rise to the termination of coverage;

24 (ii) If, where provided for in contract or where otherwise provided in state law, the
25 individual enrolls during the specified bona fide open enrollment period;

26 (iii) If the individual is employed by an employer which offers multiple health benefit
27 plans and the individual elects a different plan during an open enrollment period;

28 (iv) If a court has ordered coverage be provided for a spouse or minor or dependent child
29 under a covered employee’s health benefit plan and a request for enrollment is made within thirty
30 (30) days after issuance of the court order;

31 (v) If the individual changes status from not being an eligible employee to becoming an
32 eligible employee and requests enrollment within thirty (30) days after the change in status;

33 (vi) If the individual had coverage under a COBRA continuation provision and the
34 coverage under that provision has been exhausted; or

1 (vii) Who meets the requirements for special enrollment pursuant to § 27-50-7 or 27-50-
2 8.

3 (y) “Limited benefit health insurance” means that form of coverage that pays stated
4 predetermined amounts for specific services or treatments or pays a stated predetermined amount
5 per day or confinement for one or more named conditions, named diseases or accidental injury.

6 (z) “Medical care” means amounts paid for:

7 (1) The diagnosis, care, mitigation, treatment, or prevention of disease, or amounts paid
8 for the purpose of affecting any structure or function of the body;

9 (2) Transportation primarily for and essential to medical care referred to in subdivision
10 (1); and

11 (3) Insurance covering medical care referred to in subdivisions (1) and (2) of this
12 subsection.

13 (aa) “Network plan” means a health benefit plan issued by a carrier under which the
14 financing and delivery of medical care, including items and services paid for as medical care, are
15 provided, in whole or in part, through a defined set of providers under contract with the carrier.

16 (bb) “Person” means an individual, a corporation, a partnership, an association, a joint
17 venture, a joint stock company, a trust, an unincorporated organization, any similar entity, or any
18 combination of the foregoing.

19 (cc) “Plan sponsor” has the meaning given this term under section 3(16)(B) of the
20 Employee Retirement Income Security Act of 1974, ~~{29 U.S.C. § 1002(16)(B).}~~

21 (dd) (1) “Preexisting condition” means a condition, regardless of the cause of the
22 condition, for which medical advice, diagnosis, care, or treatment was recommended or received
23 during the six (6) months immediately preceding the enrollment date of the coverage.

24 (2) “Preexisting condition” does not mean a condition for which medical advice,
25 diagnosis, care, or treatment was recommended or received for the first time while the covered
26 person held creditable coverage and that was a covered benefit under the health benefit plan,
27 provided that the prior creditable coverage was continuous to a date not more than ninety (90)
28 days prior to the enrollment date of the new coverage.

29 (3) Genetic information shall not be treated as a condition under subdivision (1) of this
30 subsection for which a preexisting condition exclusion may be imposed in the absence of a
31 diagnosis of the condition related to the information.

32 (ee) “Premium” means all moneys paid by a small employer and eligible employees as a
33 condition of receiving coverage from a small employer carrier, including any fees or other
34 contributions associated with the health benefit plan.

1 (ff) “Producer” means any insurance producer licensed under chapter 2.4 of this title.

2 (gg) “Rating period” means the calendar period for which premium rates established by a
3 small employer carrier are assumed to be in effect.

4 (hh) “Restricted network provision” means any provision of a health benefit plan that
5 conditions the payment of benefits, in whole or in part, on the use of health care providers that
6 have entered into a contractual arrangement with the carrier pursuant to provide health care
7 services to covered individuals.

8 (ii) “Risk adjustment mechanism” means the mechanism established pursuant to § 27-
9 50-16.

10 (jj) “Self-employed individual” means an individual or sole proprietor who derives a
11 substantial portion of his or her income from a trade or business through which the individual or
12 sole proprietor has attempted to earn taxable income and for which he or she has filed the
13 appropriate Internal Revenue Service Form 1040, Schedule C or F, for the previous taxable year.

14 (kk) “Significant break in coverage” means a period of ninety (90) consecutive days
15 during all of which the individual does not have any creditable coverage, except that neither a
16 waiting period nor an affiliation period is taken into account in determining a significant break in
17 coverage.

18 (ll) “Small employer” means, except for its use in § 27-50-7, any person, firm,
19 corporation, partnership, association, political subdivision, or self-employed individual that is
20 actively engaged in business, including but not limited to a business or a corporation organized
21 under the Rhode Island Non-Profit Corporation Act, chapter 6 of title 7, or a similar act of
22 another state that, on at least fifty percent (50%) of its working days during the preceding
23 calendar quarter, employed no more than fifty (50) eligible employees, with a normal work week
24 of thirty (30) or more hours, the majority of whom were employed within this state, and is not
25 formed primarily for purposes of buying health insurance and in which a bona fide employer-
26 employee relationship exists. In determining the number of eligible employees, companies that
27 are affiliated companies, or that are eligible to file a combined tax return for purposes of taxation
28 by this state, shall be considered one employer. Subsequent to the issuance of a health benefit
29 plan to a small employer and for the purpose of determining continued eligibility, the size of a
30 small employer shall be determined annually. Except as otherwise specifically provided,
31 provisions of this chapter that apply to a small employer shall continue to apply at least until the
32 plan anniversary following the date the small employer no longer meets the requirements of this
33 definition. The term small employer includes a self-employed individual.

(mm) “Standard health benefit plan” means a health benefit plan developed pursuant to the provisions of § 27-50-10.

(nn) “Waiting period” means, with respect to a group health plan and an individual who is a potential enrollee in the plan, the period that must pass with respect to the individual before the individual is eligible to be covered for benefits under the terms of the plan. For purposes of calculating periods of creditable coverage pursuant to subsection (j)(2) of this section, a waiting period shall not be considered a gap in coverage.

27-50-5. Restrictions relating to premium rates. -- (a) Premium rates for health benefit plans subject to this chapter are subject to the following provisions:

(1) Subject to subdivision (2) of this subsection, a small employer carrier shall develop its rates based on an adjusted community rate and may only vary the adjusted community rate for:

(i) Age;

(ii) Gender; and

(iii) Family composition.

(2) Until October 1, 2002, a small employer carrier who as of June 1, 2000, varied rates by health status may vary the adjusted community rates for health status by ten percent (10%), provided that the resulting rates comply with the other requirements of this section, including subdivision (5) of this subsection. After October 1, 2002, no small employer carrier may vary the adjusted community rate based on health status.

(3) The adjustment for age in ~~subparagraph~~ paragraph (1)(i) of this subsection may not use age brackets smaller than five year increments and these shall begin with age thirty (30) and end with age sixty-five (65).

(4) The small employer carriers are permitted to develop separate rates for individuals age sixty-five (65) or older for coverage for which Medicare is the primary payer and coverage for which Medicare is not the primary payer. Both rates are subject to the requirements of this subsection.

(5) For each health benefit plan offered by a carrier, the highest premium rate for each family composition type shall not exceed two (2) times the premium rate that could be charged to a small employer with the lowest premium rate for that family composition type, effective two (2) years after ~~enactment of this chapter~~ July 13, 2000. During the first two (2) years after enactment of this chapter the highest premium rate for each family composition type shall not exceed four (4) times the premium rate that could be charged to a small employer with the lowest premium rate for that family composition.

1 ~~(6) [Effective until September 30, 2002.] Upon renewal of a health benefit plan, the~~
2 ~~premium rate for each group shall not exceed the premium rate charged by that carrier to that~~
3 ~~group during the prior rating period by more than: (i) cost and utilization trends for that carrier;~~
4 ~~plus (ii) the sum of any premium changes due to changes in the size, age, gender or family~~
5 ~~composition of the group; plus, (iii) ten percent (10%); plus (iv) the change in the actuarial value~~
6 ~~of the benefits due to changes in the health benefit plan for that group. This subdivision expires~~
7 ~~on September 30, 2002.~~

8 (6) ~~(7)~~ Premium rates for bona fide associations shall comply with the requirements of §
9 27-50-5.

10 (b) The premium charged for a health benefit plan may not be adjusted more frequently
11 than annually except that the rates may be changed to reflect:

12 (1) Changes to the enrollment of the small employer;

13 (2) Changes to the family composition of the employee; or

14 (3) Changes to the health benefit plan requested by the small employer.

15 (c) Premium rates for health benefit plans shall comply with the requirements of this
16 section.

17 (d) Small employer carriers shall apply rating factors consistently with respect to all
18 small employers. Rating factors shall produce premiums for identical groups which differ only by
19 the amounts attributable to plan design and do not reflect differences due to the nature of the
20 groups assumed to select particular health benefit plans. However, nothing in this section shall be
21 construed to prevent a group health plan and a health insurance carrier offering health insurance
22 coverage from establishing premium discounts or rebates or modifying otherwise applicable
23 copayments or deductibles in return for adherence to programs of health promotion and disease
24 prevention, provided that the resulting rates comply with the other requirements of this section,
25 including subdivision (a)(5) of this section.

26 (e) For the purposes of this section, a health benefit plan that contains a restricted
27 network provision shall not be considered similar coverage to a health benefit plan that does not
28 contain such a provision, provided that the restriction of benefits to network providers results in
29 substantial differences in claim costs.

30 (f) The director may establish regulations to implement the provisions of this section and
31 to assure that rating practices used by small employer carriers are consistent with the purposes of
32 this chapter, including regulations that assure that differences in rates charged for health benefit
33 plans by small employer carriers are reasonable and reflect objective differences in plan design or

1 coverage (not including differences due to the nature of the groups assumed to select particular
2 health benefit plans or separate claim experience for individual health benefit plans).

3 (g) In connection with the offering for sale of any health benefit plan to a small
4 employer, a small employer carrier shall make a reasonable disclosure, as part of its solicitation
5 and sales materials, of all of the following:

6 (1) The provisions of the health benefit plan concerning the small employer carrier's right
7 to change premium rates and the factors, other than claim experience, that affect changes in
8 premium rates;

9 (2) The provisions relating to renewability of policies and contracts;

10 (3) The provisions relating to any preexisting condition provision; and

11 (4) A listing of and descriptive information, including benefits and premiums, about all
12 benefit plans for which the small employer is qualified.

13 (h) (1) Each small employer carrier shall maintain at its principal place of business a
14 complete and detailed description of its rating practices and renewal underwriting practices,
15 including information and documentation that demonstrate that its rating methods and practices
16 are based upon commonly accepted actuarial assumptions and are in accordance with sound
17 actuarial principles.

18 (2) Each small employer carrier shall file with the director annually on or before March
19 15 an actuarial certification certifying that the carrier is in compliance with this chapter and that
20 the rating methods of the small employer carrier are actuarially sound. The certification shall be
21 in a form and manner, and shall contain the information, specified by the director. A copy of the
22 certification shall be retained by the small employer carrier at its principal place of business.

23 (3) A small employer carrier shall make the information and documentation described in
24 subdivision ~~(h)~~(1) of this subsection available to the director upon request. Except in cases of
25 violations of this chapter, the information shall be considered proprietary and trade secret
26 information and shall not be subject to disclosure by the director to persons outside of the
27 department except as agreed to by the small employer carrier or as ordered by a court of
28 competent jurisdiction.

29 (i) The requirements of this section apply to all health benefit plans issued or renewed on
30 or after October 1, 2000.

31 **27-50-7. Availability of coverage.** -- (a) ~~Until October 1, 2002, for purposes of this~~
32 ~~section, "small employer" includes any person, firm, corporation, partnership, association, or~~
33 ~~political subdivision that is actively engaged in business that on at least fifty percent (50%) of its~~
34 ~~working days during the preceding calendar quarter, employed a combination of no more than~~

~~fifty (50) and no less than two (2) eligible employees and part time employees, the majority of whom were employed within this state, and is not formed primarily for purposes of buying health insurance and in which a bona fide employer-employee relationship exists. After October 1, 2002,~~
For the purposes of this section, “small employer” has the meaning used in § 27-50-3(11).

(b) (1) Every small employer carrier shall, as a condition of transacting business in this state with small employers, actively offer to small employers all health benefit plans it actively markets to small employers in this state including at least three (3) health benefit plans. One health benefit plan offered by each small employer carrier shall be a basic health benefit plan, one plan shall be a standard health benefit plan, and one plan shall be an economy health benefit plan. A small employer carrier shall be considered to be actively marketing a health benefit plan if it offers that plan to any small employer not currently receiving a health benefit plan from the small employer carrier.

(2) Subject to subdivision ~~(b)~~ (1) of this subsection, a small employer carrier shall issue any health benefit plan to any eligible small employer that applies for that plan and agrees to make the required premium payments and to satisfy the other reasonable provisions of the health benefit plan not inconsistent with this chapter. However, no carrier is required to issue a health benefit plan to any self-employed individual who is covered by, or is eligible for coverage under, a health benefit plan offered by an employer.

~~(3) Notwithstanding any other provision in this section, between October 1, 2000, and September 30, 2002, a carrier may choose to limit the time during which it will accept new groups for coverage to a period of not less than ninety consecutive days during each consecutive twelve month period.~~

(c) (1) A small employer carrier shall file with the director, in a format and manner prescribed by the director, the health benefit plans to be used by the carrier. A health benefit plan filed pursuant to this subdivision may be used by a small employer carrier beginning thirty (30) days after it is filed unless the director disapproves its use.

(2) The director may at any time may, after providing notice and an opportunity for a hearing to the small employer carrier, disapprove the continued use by a small employer carrier of a health benefit plan on the grounds that the plan does not meet the requirements of this chapter.

(d) Health benefit plans covering small employers shall comply with the following provisions:

(1) A health benefit plan shall not deny, exclude, or limit benefits for a covered individual for losses incurred more than six (6) months following the enrollment date of the individual’s coverage due to a preexisting condition, or the first date of the waiting period for

1 enrollment if that date is earlier than the enrollment date. A health benefit plan shall not define a
2 preexisting condition more restrictively than as defined in § 27-50-3.

3 (2) (i) Except as provided in subdivision ~~(d)~~(3) of this subsection, a small employer
4 carrier shall reduce the period of any preexisting condition exclusion by the aggregate of the
5 periods of creditable coverage without regard to the specific benefits covered during the period of
6 creditable coverage, provided that the last period of creditable coverage ended on a date not more
7 than ninety (90) days prior to the enrollment date of new coverage.

8 (ii) The aggregate period of creditable coverage does not include any waiting period or
9 affiliation period for the effective date of the new coverage applied by the employer or the carrier,
10 or for the normal application and enrollment process following employment or other triggering
11 event for eligibility.

12 (iii) A carrier that does not use preexisting condition limitations in any of its health
13 benefit plans may impose an affiliation period that:

14 (A) Does not exceed sixty (60) days for new entrants and not to exceed ninety (90) days
15 for late enrollees;

16 (B) During which the carrier charges no premiums and the coverage issued is not
17 effective; and

18 (C) Is applied uniformly, without regard to any health status-related factor.

19 (iv) This section does not preclude application of any waiting period applicable
20 to all new enrollees under the health benefit plan, provided that any carrier-imposed
21 waiting period be no longer than sixty (60) days.

22 (3) (i) Instead of as provided in paragraph ~~(d)~~(2)(i) of this subsection, a small employer
23 carrier may elect to reduce the period of any preexisting condition exclusion based on coverage of
24 benefits within each of several classes or categories of benefits specified in federal regulations.

25 (ii) A small employer electing to reduce the period of any preexisting condition exclusion
26 using the alternative method described in paragraph ~~(d)~~(3)(i) of this subdivision shall:

27 (A) Make the election on a uniform basis for all enrollees; and

28 (B) Count a period of creditable coverage with respect to any class or category of benefits
29 if any level of benefits is covered within the class or category.

30 (iii) A small employer carrier electing to reduce the period of any preexisting condition
31 exclusion using the alternative method described under paragraph ~~(d)~~(3)(i) of this subdivision
32 shall:

1 (A) Prominently state that the election has been made in any disclosure statements
2 concerning coverage under the health benefit plan to each enrollee at the time of enrollment under
3 the plan and to each small employer at the time of the offer or sale of the coverage; and
4 (B) Include in the disclosure statements the effect of the election.

5 (4) (i) A health benefit plan shall accept late enrollees, but may exclude coverage for late
6 enrollees for preexisting conditions for a period not to exceed twelve (12) months.
7 (ii) A small employer carrier shall reduce the period of any preexisting condition
8 exclusion pursuant to subdivision ~~(d)~~(2) or ~~(d)~~(3) of this subsection.

9 (5) A small employer carrier shall not impose a preexisting condition exclusion:
10 (i) Relating to pregnancy as a preexisting condition; or
11 (ii) With regard to a child who is covered under any creditable coverage within thirty (30)
12 days of birth, adoption, or placement for adoption, provided that the child does not experience a
13 significant break in coverage, and provided that the child was adopted or placed for adoption
14 before attaining eighteen (18) years of age.

15 (6) A small employer carrier shall not impose a preexisting condition exclusion in the
16 case of a condition for which medical advice, diagnosis, care or treatment was recommended or
17 received for the first time while the covered person held creditable coverage, and the medical
18 advice, diagnosis, care or treatment was a covered benefit under the plan, provided that the
19 creditable coverage was continuous to a date not more than ninety (90) days prior to the
20 enrollment date of the new coverage.

21 (7) (i) A small employer carrier shall permit an employee or a dependent of the
22 employee, who is eligible, but not enrolled, to enroll for coverage under the terms of the group
23 health plan of the small employer during a special enrollment period if:
24 (A) The employee or dependent was covered under a group health plan or had coverage
25 under a health benefit plan at the time coverage was previously offered to the employee or
26 dependent;
27 (B) The employee stated in writing at the time coverage was previously offered that
28 coverage under a group health plan or other health benefit plan was the reason for declining
29 enrollment, but only if the plan sponsor or carrier, if applicable, required that statement at the
30 time coverage was previously offered and provided notice to the employee of the requirement and
31 the consequences of the requirement at that time;
32 (C) The employee's or dependent's coverage described under subparagraph ~~(d)~~(7)(i)(A)
33 of this paragraph:

1 (I) Was under a COBRA continuation provision and the coverage under this provision
2 has been exhausted; or

3 (II) Was not under a COBRA continuation provision and that other coverage has been
4 terminated as a result of loss of eligibility for coverage, including as a result of a legal separation,
5 divorce, death, termination of employment, or reduction in the number of hours of employment or
6 employer contributions towards that other coverage have been terminated; and

7 (D) Under terms of the group health plan, the employee requests enrollment not later than
8 thirty (30) days after the date of exhaustion of coverage described in item ~~(d)(7)(i)(C)~~(I) of this
9 paragraph or termination of coverage or employer contribution described in item ~~(d)(7)(i)(C)~~(II)
10 of this paragraph.

11 (ii) If an employee requests enrollment pursuant to subparagraph ~~(d)(7)(i)(D)~~ of this
12 subdivision, the enrollment is effective not later than the first day of the first calendar month
13 beginning after the date the completed request for enrollment is received.

14 (8) (i) A small employer carrier that makes coverage available under a group health plan
15 with respect to a dependent of an individual shall provide for a dependent special enrollment
16 period described in paragraph ~~(d)(8)(ii)~~ of this subdivision during which the person or, if not
17 otherwise enrolled, the individual may be enrolled under the group health plan as a dependent of
18 the individual and, in the case of the birth or adoption of a child, the spouse of the individual may
19 be enrolled as a dependent of the individual if the spouse is otherwise eligible for coverage if:

20 (A) The individual is a participant under the health benefit plan or has met any waiting
21 period applicable to becoming a participant under the plan and is eligible to be enrolled under the
22 plan, but for a failure to enroll during a previous enrollment period; and

23 (B) A person becomes a dependent of the individual through marriage, birth, or adoption
24 or placement for adoption.

25 (ii) The special enrollment period for individuals that meet the provisions of paragraph
26 ~~(d)(8)(i)~~ of this subdivision is a period of not less than thirty (30) days and begins on the later of:

27 (A) The date dependent coverage is made available; or

28 (B) The date of the marriage, birth, or adoption or placement for adoption described in
29 subparagraph ~~(d)(8)(i)(B)~~ of this subdivision.

30 (iii) If an individual seeks to enroll a dependent during the first thirty (30) days of the
31 dependent special enrollment period described under paragraph ~~(d)(8)(ii)~~ of this subdivision, the
32 coverage of the dependent is effective:

33 (A) In the case of marriage, not later than the first day of the first month beginning after
34 the date the completed request for enrollment is received;

1 (B) In the case of a dependent's birth, as of the date of birth; and

2 (C) In the case of a dependent's adoption or placement for adoption, the date of the
3 adoption or placement for adoption.

4 (9) (i) Except as provided in this subdivision, requirements used by a small employer
5 carrier in determining whether to provide coverage to a small employer, including requirements
6 for minimum participation of eligible employees and minimum employer contributions, shall be
7 applied uniformly among all small employers applying for coverage or receiving coverage from
8 the small employer carrier.

9 (ii) For health benefit plans issued or renewed on or after October 1, 2000, a small
10 employer carrier shall not require a minimum participation level greater than:

11 (A) One hundred percent (100%) of eligible employees working for groups of ten (10) or
12 less employees; and

13 (B) Seventy-five percent (75%) of eligible employees working for groups with more than
14 ten (10) employees.

15 (iii) In applying minimum participation requirements with respect to a small employer, a
16 small employer carrier shall not consider employees or dependents who have creditable coverage
17 in determining whether the applicable percentage of participation is met.

18 (iv) A small employer carrier shall not increase any requirement for minimum employee
19 participation or modify any requirement for minimum employer contribution applicable to a small
20 employer at any time after the small employer has been accepted for coverage.

21 (10) (i) If a small employer carrier offers coverage to a small employer, the small
22 employer carrier shall offer coverage to all of the eligible employees of a small employer and
23 their dependents who apply for enrollment during the period in which the employee first becomes
24 eligible to enroll under the terms of the plan. A small employer carrier shall not offer coverage to
25 only certain individuals or dependents in a small employer group or to only part of the group.

26 (ii) A small employer carrier shall not place any restriction in regard to any health status-
27 related factor on an eligible employee or dependent with respect to enrollment or plan
28 participation.

29 (iii) Except as permitted under subdivision ~~(d)~~(1) and ~~(d)~~(4) of this subsection, a small
30 employer carrier shall not modify a health benefit plan with respect to a small employer or any
31 eligible employee or dependent, through riders, endorsements, or otherwise, to restrict or exclude
32 coverage or benefits for specific diseases, medical conditions, or services otherwise covered by
33 the plan.

(e) (1) Subject to subdivision ~~(e)~~(3) of this subsection, a small employer carrier is not required to offer coverage or accept applications pursuant to subsection (b) of this section in the case of the following:

(i) To a small employer, where the small employer does not have eligible individuals who live, work, or reside in the established geographic service area for the network plan;

(ii) To an employee, when the employee does not live, work, or reside within the carrier's established geographic service area; or

(iii) Within an area where the small employer carrier reasonably anticipates, and demonstrates to the satisfaction of the director, that it will not have the capacity within its established geographic service area to deliver services adequately to enrollees of any additional groups because of its obligations to existing group policyholders and enrollees.

(2) A small employer carrier that cannot offer coverage pursuant to paragraph ~~(e)~~(1)(iii) of this subsection may not offer coverage in the applicable area to new cases of employer groups until the later of one hundred and eighty (180) days following each refusal or the date on which the carrier notifies the director that it has regained capacity to deliver services to new employer groups.

(3) A small employer carrier shall apply the provisions of this subsection uniformly to all small employers without regard to the claims experience of a small employer and its employees and their dependents or any health status-related factor relating to the employees and their dependents.

(f) (1) A small employer carrier is not required to provide coverage to small employers pursuant to subsection (b) of this section if:

(i) For any period of time the director determines the small employer carrier does not have the financial reserves necessary to underwrite additional coverage; and

(ii) The small employer carrier is applying this subsection uniformly to all small employers in the small group market in this state consistent with applicable state law and without regard to the claims experience of a small employer and its employees and their dependents or any health status-related factor relating to ~~such~~ the employees and their dependents.

(2) A small employer carrier that denies coverage in accordance with subdivision ~~(f)~~(1) of this subsection may not offer coverage in the small group market for the later of:

(i) A period of one hundred and eighty (180) days after the date the coverage is denied; or

(ii) Until the small employer has demonstrated to the director that it has sufficient financial reserves to underwrite additional coverage.

(g) (1) A small employer carrier is not required to provide coverage to small employers pursuant to subsection (b) of this section if the small employer carrier elects not to offer new coverage to small employers in this state.

(2) A small employer carrier that elects not to offer new coverage to small employers under this subsection may be allowed, as determined by the director, to maintain its existing policies in this state.

(3) A small employer carrier that elects not to offer new coverage to small employers under subdivision (g)(1) shall provide at least one hundred and twenty (120) days notice of its election to the director and is prohibited from writing new business in the small employer market in this state for a period of five (5) years beginning on the date the carrier ceased offering new coverage in this state.

SECTION 91. Section 27-51-1 of the General Laws in Chapter 27-51 entitled “Managing General Agents Act” is hereby amended to read as follows:

27-51-1. Short title. -- ~~As used in this chapter,~~ This chapter may be known as the “Managing General Agents Act”.

SECTION 92. Section 27-52-2 of the General Laws in Chapter 27-52 entitled “Reinsurance Intermediaries” is hereby amended to read as follows:

27-52-2. Definitions. -- As used in this chapter:

(1) “Actuary” means a person who is a member in good standing of the American academy of actuaries;

(2) “Controlling person” means any person, firm, association, or corporation who directly or indirectly has the power to direct or cause to be directed, the management, control, or activities of the reinsurance intermediary;

(3) “Insurer” means any person, firm, association, or corporation duly licensed in this state pursuant to the applicable provisions of the insurance law as an insurer;

(4) “Licensed producer” means an agent, broker, or reinsurance intermediary licensed pursuant to the applicable provisions of this title.

(5) “Qualified U.S. financial institutions”, for the purposes of this chapter, means an institution that:

(i) Is organized or in the case of a U.S. office of a foreign banking organization licensed, under the laws of the United States or any state ~~thereof~~ of the United States;

(ii) Is regulated, supervised, and examined by U.S. federal or state authorities having regulatory authority over banks and trust companies; and

1 (iii) Has been determined by either the commissioner, or the securities valuation office of
2 the national association of insurance commissioners, to meet ~~such~~ the standards of financial
3 condition and standing ~~as~~ that are considered necessary and appropriate to regulate the quality of
4 financial institutions whose letters of credit will be acceptable to the commissioner;

5 (6) "Reinsurance intermediary" means a reinsurance intermediary broker or a reinsurance
6 intermediary manager as these terms are defined in ~~subsections~~ subdivisions (7) and (8) of this
7 section, but shall not mean an intermediary in an insurance securitization or reinsurance
8 transaction with a protected cell established by a protected cell company organized under the
9 Protected Cell Companies Act, chapter 64 of this title, as those terms are defined or utilized in
10 ~~this act~~ that Act;

11 (7) "Reinsurance intermediary broker" (RB) means any person, other than an officer or
12 employee of the ceding insurer, firm, association, or corporation who solicits, negotiates, or
13 places reinsurance cessions or retrocessions on behalf of a ceding insurer without the authority or
14 power to bind reinsurance on behalf of the insurer;

15 (8) "Reinsurance intermediary manager" (RM) means any person, firm, association, or
16 corporation who has authority to bind or manages all or part of the assumed reinsurance business
17 of a reinsurer, including the management of a separate division, department, or underwriting
18 office, and acts as an agent for the reinsurer which is known as a RM, manager, or other similar
19 term. Notwithstanding the above, the following persons shall not be considered a RM, with
20 respect to the reinsurer, for the purposes of this chapter:

21 (i) Any employee of the reinsurer;

22 (ii) A U.S. manager of the United States branch of an alien reinsurer;

23 (iii) An underwriting manager which, pursuant to contract, manages all the reinsurance
24 operations of the reinsurer, is under common control with the reinsurer, subject to the Insurance
25 Holding Company Systems Act, chapter 35 of this title, and whose compensation is not based on
26 the volume of premiums written;

27 (iv) The manager of a group, association, pool, or organization of insurers which engage
28 in joint underwriting or joint reinsurance and who are subject to examination by the insurance
29 commissioner of the state in which the manager's principal business office is located;

30 (9) "Reinsurer" means any person, firm, association, or corporation duly licensed in this
31 state pursuant to the applicable provisions of this title as an insurer with the authority to assume
32 reinsurance; and

1 (10) “To be in violation” means that the reinsurance intermediary, insurer, or reinsurer
2 for whom the reinsurance intermediary was acting failed to substantially comply with the
3 provisions of this chapter.

4 SECTION 93. Section 27-54-3 of the General Laws in Chapter 27-54 entitled “Insurance
5 Fraud Prevention Act” is hereby amended to read as follows:

6 **27-54-3. Investigations.** -- (a) Pursuant to §§ ~~27-13-1 and 27-13.1-1, et seq.~~ chapter 13.1
7 of this title, the director or the director’s designee may conduct investigations as he or she deems
8 necessary in order to ascertain whether any person has violated or is violating any provision of
9 this chapter.

10 (b) Whenever the director or the director’s designee has reason to believe that a
11 provision of this chapter has been violated, he or she may report the violation of law to the
12 attorney general who may bring an action in the court of appropriate jurisdiction. Within one
13 hundred twenty (120) days of receipt of the director’s report, the attorney general shall inform the
14 director or the director’s designee as to the status of the reported violations. Where the insurer
15 affected has become the subject of a court order for conservation, rehabilitation or liquidation, the
16 director or the director’s designee may also refer the matter to the receiver for action under § 27-
17 54-2.

18 SECTION 94. Section 27-65-1 of the General Laws in Chapter 27-65 entitled
19 “Commercial Special Risks” is hereby amended to read as follows:

20 **27-65-1. Commercial special risks.** -- (a) *Commercial special risks*; Notwithstanding
21 any other provisions of this title to the contrary and except as ~~below~~ limited in subsection (b) of
22 this section, insurers shall not be required to file with, nor to receive approval from, the insurance
23 division of the department of business regulation for policy forms or rates used in the insurance of
24 commercial special risks located in this state. Commercial special risks are defined as:

25 (1) Risks written as commercial lines insurance, as defined in ~~section~~ § 27-34-5(5), and
26 which are written on an excess or umbrella basis;

27 (2) Those risks, or portions ~~thereof~~ of them, written as commercial lines insurance, as
28 defined in ~~section~~ § 27-34-5(5), and which are not rated according to manuals, rating plans, or
29 schedules including “A” rates;

30 (3) Risks written as commercial lines insurance which employ or retain the services of a
31 “risk manager” and which also meet any one of the following criteria:

32 (i) Net worth over fifty million dollars (\$50,000,000);

33 (ii) Net revenue/sales of over one hundred million dollars (\$100,000,000);

1 (iii) More than five hundred (500) employees per individual company or one thousand
2 (1000) employees per holding company in the aggregate;

3 (iv) Aggregates premiums of over one hundred fifty thousand dollars (\$150,000)
4 excluding group life, group health, workers' compensation and professional liability
5 (including but not limited to errors and omissions and directors and officers liability);

6 (v) Is a not for profit, or public entity with an annual budget or assets of at least forty-five
7 million dollars (\$45,000,000); or

8 (vi) Is a municipality with a population of over fifty thousand (50,000);

9 (4) Specifically designated commercial special risks including:

10 (i) All risks classified as highly protected risks as defined in ~~section 27-5-2.1(4)~~ § 27-5-
11 2.1(a)(4);

12 (ii) All commercial insurance aviation risks;

13 (iii) All credit property insurance risks which are defined as: "insurance of personal
14 property of a commercial debtor against loss, with the creditor as sole beneficiary" or "insurance
15 of personal property of a commercial debtor, with the creditor as primary beneficiary and the
16 debtor as beneficiary of proceeds not paid to the creditor". For the purposes of this definition,
17 "personal property" means furniture, fixtures, furnishings, appliances and equipment designed for
18 use in a business trade or profession and not used by a debtor for personal or household use;

19 (iv) All boiler and machinery risks;

20 (vi) All inland marine risks written as commercial lines insurance as defined in ~~section §~~
21 27-34-5(5); and

22 (vii) All fidelity and surety risks.

23 (b) ~~Nevertheless~~ Notwithstanding subsection (a) of this section, the following lines of
24 business shall remain subject to all filing and approval requirements contained in this title even if
25 written for risks which otherwise qualify as commercial special risks:

26 (1) Life insurance;

27 (2) Annuities;

28 (3) Accident and health insurance;

29 (4) Automobile insurance which is mandated by statute;

30 (5) Workers' compensation and employers' liability insurance; and

31 (6) Issuance through residual market mechanisms.

32 (c) Any insurer which provides coverage to a commercial special risk shall disclose to
33 the insured that forms used and rates charges are exempt from filing and approval requirements
34 by this subsection. Records of all such disclosures shall be maintained by the insurer.

(d) Brokers for exempt commercial policyholders as defined in subdivision (a)(3) ~~herein~~ of this section shall be exempt from the due diligence requirements of ~~section § 27-3-38(b)~~ of the general laws.

SECTION 95. Section 27-66-24 of the General Laws in Chapter 27-66 entitled “The Health Insurance Conversion Act” is hereby amended to read as follows:

27-66-24. Exceptions — Rehabilitation, liquidation or conservation. -- No proposed conversion shall be subject to this chapter in the event that the health insurance corporation, health maintenance corporation, a nonprofit hospital service corporation, nonprofit medical service corporation or affiliate or subsidiary thereof ~~thereof~~ of them is subject to an order from the superior court directing the director to rehabilitate, liquidate or conserve, as provided in §§ 27-19-28, 27-20-24, 27-41-18, ~~27-14.1-1 et seq., 27-14.2-1 et seq., 27-14.3-1 et seq. or 27-14.4-1 et seq.~~ or chapter 14.1, 14.2 or 14.3 of this title.

SECTION 96. Section 27-52-13 of the General Laws in Chapter 27-52 entitled “Reinsurance Intermediaries” is hereby repealed in its entirety.

27-52-13. Utilization of services. ~~--- No insurer or reinsurer may continue to utilize the services of a reinsurance intermediary on and after July 1, 1993, unless the utilization is in compliance with this chapter.~~

SECTION 97. Section 27-56-4 of the General Laws in Chapter 27-56 entitled “Disclosure of Material Transactions Act” is hereby repealed in its entirety.

27-56-4. Effective date. ~~--- This chapter shall take effect June 30, 1995.~~

SECTION 98. Section 5-40.1-13 of the General Laws in Chapter 5-40.1 entitled “Occupational Therapy” is hereby amended to read as follows:

5-40.1-13. Fees. -- When an application is submitted to the division of professional regulation for a license to practice occupational therapy in Rhode Island, the applicant ~~pays~~ shall pay a non-refundable fee of sixty-two dollars and fifty cents (\$62.50) to the general treasurer. A licensee shall submit a biennial renewal fee of sixty-two dollars and fifty cents (\$62.50) ~~is submitted~~ with a renewal application on or before the ~~first~~ thirty-first (31st) day of March of each even year pursuant to the requirements of § 5-40.1-12(a)(3), and any person who allows his or her license to lapse by failing to renew it in the manner prescribed ~~pays~~ shall pay an additional fee of twenty-five dollars (\$25.00) as referred to in § 5-40.1-12(a)(6).

SECTION 99. Section 23-17-44 of the General Laws in Chapter 23-17 entitled “Licensing of Health Care Facilities” is hereby amended to read as follows:

1 **23-17-44. Moratorium on new initial nursing facility licensed beds and on increases**
2 **to the licensed capacity of existing nursing facility licenses.** -- (a) The licensing agency shall

3 issue no new initial licenses for nursing facilities prior to July 1, 2004; provided, however, that:

4 (1) Any person holding a previously issued and valid certificate of need as of August 21,
5 1996 shall be permitted to effect a prior certificate from the licensing agency consistent with any
6 other statutory and regulatory provisions which may further apply;

7 (2) Any person holding a nursing facility license may undertake activities to construct
8 and operate a replacement nursing facility with the same or lower bed capacity as is presently
9 licensed provided that the replacement facility may only be licensed upon the otherwise
10 unconditional cessation of operation of the previously licensed nursing facility;

11 (3) Any certificate of need application under active review before the state agency as of
12 January 10, 1996, which application seeks approval of a proposal to establish a new nursing
13 facility or seeks to increase the licensed bed capacity of an existing nursing facility shall continue
14 to be reviewed under all the statutory and regulatory requirements in effect at the time the
15 application was accepted for review by the state agency; and

16 (4) On July 1, 1999, if the statewide occupancy rate of licensed nursing facility beds
17 exceeds ninety-two percent (92%) for the preceding calendar year, as determined by the
18 department of human services, an assisted living residence licensed pursuant to chapter 17.4 of
19 this title may propose to seek nursing facility licensure by conversion of assisted living residence
20 rooms within its existing physical plant; provided however, that:

21 (i) The number of nursing facility beds to be licensed does not exceed the lesser of twenty
22 (20) beds or ten percent (10%) of the licensed bed capacity of the assisted living residence;

23 (ii) The capital expenditures associated with the implementation of the nursing facility
24 beds does not exceed five hundred thousand dollars (\$500,000);

25 (iii) The nursing facility shall be limited in taking residents to those persons who are
26 transferring from residency at the assisted living residence;

27 (iv) The assisted living residence must participate in the Medicaid program;

28 (v) The application must be submitted to the health services council on or before October
29 1, 1999;

30 (vi) The facility must comply with all requirements of the Health Care Certificate of
31 Need Act, chapter 15 of title 23.

32 (b) Prior to July 1, 2004, the licensing agency shall not increase the licensed bed capacity
33 of any existing licensed nursing facility, including any nursing facility approved for change in
34 ownership pursuant to ~~§ 23-17-14~~ §§ 23-17-14.3 and 23-17-14.4, except for the greater of ten

1 (10) beds or ten percent (10%) of the facility's licensed capacity. Any person holding a previously
2 issued and valid certificate of need as of the date of passage of this section or who shall
3 subsequently be granted a certificate of need pursuant to subsection (a) shall be permitted to
4 effect a prior certificate from the licensing agency consistent with any other statutory and
5 regulatory provisions which may further apply.

6 SECTION 100. Section 40-18-2 of the General Laws in Chapter 40-18 entitled "Long
7 Term Home Health Care – Alternative to Placement in a Skilled Nursing or Intermediate Care
8 Facility" is hereby amended to read as follows:

9 **40-18-2. Definitions.** – As used in this chapter, the following words and phrases shall
10 have the following meanings unless the context otherwise requires:

11 (1) 'Adult day care service' means a comprehensive supervised program on a regularly
12 scheduled basis to adults with disabilities for a substantial part of the day in a single physical
13 location for a specified number of participants daily. The adult day care center shall be reviewed
14 and approved by the department of elderly affairs or other appropriate state agency. Adult day
15 care services may include, but are not limited to, medical supervision, social and educational
16 activities, snacks and/or hot lunch, and transportation to and from the day care site. All adult day
17 care services must meet the conditions set forth in the rules and regulations of the department of
18 elderly affairs and must provide these services as an alternative to twenty-four (24) hour long
19 term institutional care.

20 (2) 'Case management services' means the coordination of a plan of care and services
21 provided at home to persons with disabilities who are medically eligible for placement in a skilled
22 nursing facility or an intermediate care facility upon discharge from a hospital. Such programs
23 shall be provided in the person's home or in the home of a responsible relative or other
24 responsible adult, but not provided in a skilled nursing facility and/or an intermediate care
25 facility.

26 (3) 'Certified home health' means a home care services agency which is licensed by the
27 state and which is qualified to participate as home health agency under the provisions of titles
28 XVII and XIX of the federal Social Security Act, 42 U.S.C. § 1395x, and shall provide, directly
29 or through contract arrangement, a minimum of the following services, which are of a
30 preventative, therapeutic, rehabilitative health guidance, and/or supportive nature to persons at
31 home: skilled nursing services, physical therapy, occupational therapy, speech therapy, and home
32 health aide services.

33 (4) 'Director' means the director of the department of human services.

1 (5) 'Emergency response system' means a twenty-four (24) hour per day monitoring
2 service designed for use by elderly adults in the community. The purpose of that system is to
3 provide contact between the elderly adult in the community and the appropriate emergency
4 response agency.

5 (6) 'Government funds' means funds provided under the provisions of chapter 8 of title
6 40.

7 (7) 'Home care services' means those services provided by (i) Medicare/Medicaid
8 certified and state licensed home health agency and (ii) state licensed home health
9 aide/homemaker agency.

10 (8) 'Home health aide/homemaker agency', ~~defined in § 23-17.7-2,~~ means: (i) home
11 health aide services, at a minimum, includes assistance with personal hygiene, dressing, feeding,
12 and household tasks essential to the patient's health and (ii) homemaker services, at a minimum,
13 includes light work or household tasks such as cooking, cleaning, shopping, and laundry.

14 (9) 'Hospital' means a hospital as defined in chapter 17 of title 23.

15 SECTION 101. Section 42-66.4-2 of the General Laws in Chapter 42-66.4 entitled
16 "Long-Term Care – Removal From a Skilled Nursing and/or Intermediate Care Facility" is
17 hereby amended to read as follows:

18 **42-66.4-2. Definitions.** – As used in this chapter, unless the context otherwise requires:

19 (1) 'Adult day care services' means a comprehensive supervised program on a regularly
20 scheduled basis to adults with disabilities for a substantial part of the day in a single physical
21 location for a specified number of participants daily. The adult day care center shall be reviewed
22 and approved by the department of elderly affairs or other appropriate state agency. Adult day
23 care services may include, but are not limited to, medical supervision, social and educational
24 activities, snacks and/or hot lunch, and transportation to and from the day care site. All adult day
25 care services must meet the conditions set forth in the rules and regulations of the department of
26 elderly affairs and must provide these services as an alternative to twenty-four (24) hour long
27 term institutional care.

28 (2) 'Case management services' means the coordination of a plan of care and services
29 provided at home to persons with disabilities who are medically eligible for placement in a skilled
30 nursing facility or an intermediate care facility. These programs shall be provided in the person's
31 home or in the home of a responsible relative or other responsible adult, but not provided in a
32 skilled nursing facility and/or an intermediate care facility.

33 (3) 'Certified home health' means a home care services agency which is licensed by the
34 state and which is qualified to participate as a home health agency under the provisions of 42

U.S.C. § 1395 et seq. and § 1396 et seq., and shall provide, directly or through contract arrangement, a minimum of the following services which are of a preventative, therapeutic, rehabilitative health guidance and/or supportive nature to persons at home: skilled nursing services, physical therapy, occupational therapy, speech therapy, and home health aide services.

(4) 'Director' means the director of the department of elderly affairs unless the context clearly requires a different meaning.

(5) 'Emergency response system' means a twenty-four (24) hour per day monitoring service designed for use by elderly adults in the community. The purpose of the system is to provide contact between the elderly adult in the community and the appropriate emergency response agency.

(6) 'Government funds' means funds provided under the provisions of chapter 8 of title 40.

(7) 'Home care services' means those services provided by (a) medicare/medicaid certified and state licensed home health agency and (b) state licensed home health aide/homemaker agency.

(8) 'Home health aide/homemaker agency', ~~defined in § 23-17.7-2,~~ means:

(i) Home health aide services, at a minimum, includes assistance with personal hygiene, dressing, feeding, and household tasks essential to the patient's health; and

(ii) Homemaker services, at a minimum, includes light work or household tasks such as cooking, cleaning, shopping, and laundry.

(9) 'Skilled nursing facility' and 'intermediate care facility' shall have the same definition as set forth in chapter 17 of title 23

SECTION 102. Section 24-10-17 of the General Laws in Chapter 24-10 entitled "Freeways" is hereby amended to read as follows:

24-10-17. Soliciting rides in motor vehicles. -- (a) Any person who endeavors by words, gestures, or otherwise to beg, invite, or secure transportation in any motor vehicle on any freeway within the state, except in the case of a bona fide emergency or in the case of sickness, shall be guilty of a misdemeanor and shall be punished by a fine of ~~not more than fifteen dollars (\$15.00)~~ fifty dollars (\$50.00).

(b) Any person who endeavors to solicit a ride in a motor vehicle in the manner described in this section on the travelled portion of any other public highway in this state shall be guilty of a misdemeanor and shall be punished by a fine of ~~not more than fifteen dollars (\$15.00)~~ fifty dollars (\$50.00).

SECTION 103. Sections 31-3-12, 31-3-32, 31-3-34, 31-3-35 and 31-3-40 of the General Laws in Chapter 31-3 entitled "Registration of Vehicles" are hereby amended to read as follows:

31-3-12. Visibility of plates. -- Each registration plate and the required letters and numerals printed on it, except the year number for which issued, shall be of sufficient size to be plainly readable from a distance of one hundred feet (100') during daylight. Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

31-3-32. Expiration of registration. -- Every vehicle registration under chapters 3 - 9 of this title and every registration card and registration plate issued under these chapters shall expire at midnight on the thirty-first (31st) day of March of each year, except that the director of the department of administration, division of motor vehicles shall implement a staggered registration system and a staggered distribution system for fully reflective plates required to be on all vehicles pursuant to § 31-3-10. Implementation of the staggered registration system and distribution system shall be by rules and regulations promulgated by the director of administration, division of motor vehicles. A fee for the initial issuance of fully reflective plates and each reissuance thereafter shall be charged in accordance with § 31-6-1(22). The requirements for the reissuance of fully reflective plates apply only to those standard plates described in § 31-3-11 and not to plates authorized by any other section of the general or public laws. Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

31-3-34. Notice of change of address. -- A person who applies for or obtains registration for a vehicle, and subsequently moves from the address given in the application or shown on a registration card, must notify the division in writing of the old and new addresses within ten (10) days. Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

31-3-35. Notice of change of name. -- A person who applies for or obtains registration for a vehicle, and subsequently changes his or her name because of marriage or otherwise, must notify the division of the former and new names within ten (10) days. Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

31-3-40. Special use identification tags. -- (a) A new car dealer or used car dealer may apply to the administrator for special use identification tags for display on vehicles that have been sold by that dealer but for which registration is pending. All vehicles displaying special use tags must conform to general safety standards. These tags shall be of a size and type determined by the administrator, and shall be sold to dealers in packs of ten (10) plates per pack for two hundred dollars (\$200) per pack.

(b) Special use certificates and special use identification tags may be used on a vehicle sold by the dealer to a resident or nonresident. The special use certificate and tags are valid for no

1 more than twenty (20) days, including the date of delivery of the certificate and tags by the
2 dealer. No dealer or any other person may extend their expiration date, nor may any person other
3 than the administrator issue another similar certificate or tag. The special use certificate must be
4 carried in the vehicle bearing the special use identification tags whenever the vehicle is being
5 operated on a public highway. The tags will be displayed in the same manner as registration
6 plates. Upon the removal of special use identification tags from a vehicle, they must be destroyed
7 immediately by the person to whom issued or his or her agent.

8 (c) Upon the issuance of a special use certificate and special use identification tags, the
9 dealer shall prepare the certificate in triplicate by printing or typing all of the information
10 required. The dealer shall imprint the date of the tag's expiration on the tag itself. This date will
11 be legible, printed in black ink with a rubber date stamp, in letters and numerals not less than one
12 inch (1') in height, nor less than one-fourth of an inch (1/4') in width. The tag must also contain
13 the vehicle identification number of the car on which it is displayed, and the dealer's
14 identification number. The original copy of the special use certificate shall be given to the person
15 named in the certificate. The duplicate copy serves as the notice required by subsection (d) of this
16 section. The third copy shall be held in the dealer's files and shall be exhibited upon demand of
17 the administrator or of any peace officer.

18 (d) Notice of delivery of the special use certificate and special use identification tags
19 must be mailed to the administrator not later than the next business day.

20 (e) In the event that a dealer goes out of business, or transfers his or her business to any
21 other person, firm, or corporation the dealer must return all special use certificates and special use
22 identification tags to the administrator within five (5) days.

23 (f) No dealer may make any use of special use certificates or special use identification
24 tags except in accordance with the provisions of this section.

25 **(g) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
26 **the general laws.**

27 SECTION 104. Section 31-4-3 of the General Laws in Chapter 31-4 entitled
28 "Transfer of Vehicles" is hereby amended to read as follows:

29 **31-4-3. Temporary registration - Invoice voucher issued by dealer.** -- (a) Any person
30 who purchases a motor vehicle from a bona fide licensed dealer, and who already has a motor
31 vehicle registered in this state, may operate the newly acquired motor vehicle for a period of
32 twenty (20) days following the date of the original dated voucher. The new vehicle must be of the
33 same type as that already owned and registered vehicle. During this period any operator of the
34 new vehicle must carry the original dated bill of sale or invoice voucher, which must be

1 accompanied by a numbered state sales tax form. The voucher or bill of sale shall give the
2 registration number to be transferred from the previously registered to the newly acquired vehicle.

3 (b) The bill of sale or invoice voucher shall be sequentially and numerically identified,
4 dated on the day of sale, and is valid for not more than twenty (20) days following the date of the
5 original voucher. No dealer or any other person may extend or alter the date, nor may a new bill
6 of sale be issued to the purchaser as a means to circumvent this section.

7 (c) Every dealer shall keep a sequential record of each temporary certificate issued, and
8 those records shall be available during business hours for examination by any police officer or
9 inspector of the division as designated by the administrator of the division of motor vehicles.

10 **(d) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
11 **the general laws.**

12 SECTION 105. Sections 31-10.1-4, 31-10.1-5, 31-10.1-6, and 31-10.1-7 of the
13 General Laws in Chapter 31-10.1 entitled “Special License for Motorcycles, Motor
14 Scooters, and Other Motor Driven Cycles” are hereby amended to read as follows:

15 **31-10.1-4. Required equipment.** -- Operators of motorcycles, motor scooters, and
16 motor-driven cycles shall use eye protection of a type approved by the administrator when
17 operating their vehicles on streets and highways. Every motorcycle, motor scooter, and motor-
18 driven cycle shall be equipped with a rear view mirror. Any operator under the age of twenty-one
19 (21) shall wear a helmet of a type approved by the administrator. In addition, all new operators,
20 regardless of age, shall be required, for a period of one year from the date of issuance of the first
21 license pursuant to § 31-10.1-1, to wear a helmet of a type approved by the administrator. Any
22 person violating this provision shall be fined ~~thirty-five dollars (\$35.00)~~ fifty dollars (\$50.00)
23 which shall be paid in accordance with chapter 41.1 of this title. The administrator is authorized
24 to set forth rules and regulations governing the use of other equipment on these vehicles. All fines
25 collected under this section shall be deposited in a general restricted receipt account for the use of
26 the Rhode Island governor's office on highway safety in order to promote educational and
27 informational programs encouraging helmet use.

28 **31-10.1-5. Handlebars.** -- No person shall operate on a highway or in any parking area
29 for ten (10) or more motor vehicles, any motorcycle, motor scooter, or motor-driven cycle
30 equipped with handlebars that are more than fifteen inches (15') in height above the uppermost
31 portion of the seat when depressed by the weight of the operator. Violations of this section are
32 subject to fines enumerated in §31-41.1-4 of the general laws.

33 **31-10.1-6. Passengers.** -- Any passenger on a motorcycle, motor scooter, or motor-driven
34 cycle must be provided with a separate rear seat, a separate foot-rest, and an appropriate

1 handlebar or grip for his or her use, and must wear a properly fitting helmet of a type approved by
2 the administrator. No person shall operate a motorcycle, motor scooter, or motor-driven cycle
3 unless any passenger wears a helmet and also unless any passenger is able to rest his or her feet
4 upon a foot rest; provided further that any passenger on a motorcycle, motor scooter, or
5 motordriven cycle under twelve (12) years of age must have a properly secured back-rest or
6 equivalent and shall have his or her feet placed upon the foot-rest and shall be seated behind the
7 operator unless a side car is provided. When, however, a side car is provided this age requirement
8 shall not apply to passenger(s) in the side car. Violations of this section are subject to fines
9 enumerated in §31-41.1-4 of the general laws.

10 **31-10.1-7. Inspection** – Every motorcycle, motor scooter, or motor-driven cycle shall be
11 inspected in accordance with the law providing for inspection of motor vehicles, and shall display
12 a certificate of inspection as provided in chapter 38 of this title. Inspection standards for these
13 motor vehicles shall be established by the administrator. Inspection stations shall be specially
14 licensed to inspect motorcycles, motor scooters, and motor-driven cycles. Certificates of
15 inspection for these vehicles shall be clearly distinguishable from those issued to other motor
16 vehicles. Violations of this section are subject to fines enumerated in §31-41.1-4 of the general
17 laws.

18 SECTION 106. Sections 31-10-10, 31-10-30, and 31-10-32 of the General Laws in
19 Chapter 31-10 entitled “Operators’ and Chauffeurs’ Licenses” are hereby amended to read as
20 follows:

21 **31-10-10. Rules as to armed forces license.** -- The special license provided for in §§ 31-
22 10-8 and 31-10-9, shall be issued under the rules and in the form the administrator may prescribe.
23 Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

24 **31-10-30. Expiration and renewal of licenses.** – Every operator's and chauffeur's first
25 license to operate a motor vehicle shall be by the issuance of a temporary license for the period
26 beginning at the date of issuance and expiring on the birthday of the licensee in the second year
27 following the issuance of the temporary license. Every operator's and chauffeur's license issued
28 after expiration of the temporary license shall expire on the birthday of the licensee in the fifth
29 year following the issuance of the license, with the exception of any person seventy (70) years of
30 age or older whose license shall expire on the birthday of the licensee in the second year
31 following the issuance of the license, and shall be renewable on or before expiration upon
32 application and payment of the fee required by this chapter. The administrator of the division of
33 motor vehicles, having good cause to believe the applicant for renewal is incompetent or
34 otherwise not qualified, may require an examination of the applicant as upon an original

1 application. The administrator of the division of motor vehicles is authorized to adopt any
2 regulations necessary to carry out the purposes of this section. Violations of this section are
3 subject to fines enumerated in §31-41.1-4 of the general laws.

4 **31-10-32. Notice of change of address or name.** -- If, after applying for or receiving an
5 operator's or chauffeur's license, a person moves from the address shown on the application or
6 license, or when the name of a licensee is changed by marriage or otherwise, that person within
7 ten (10) days shall notify the division in writing of both old and new addresses or of both former
8 and new names and of the designating number of any license then held. Violations of this section
9 are subject to fines enumerated in §31-41.1-4 of the general laws.

10 SECTION 107. Section 31-12-12 of the General Laws in Chapter 31-12 entitled
11 "Applicability of Traffic Regulations" is hereby amended to read as follows:

12 **31-12-12. Powers of local authorities.** -- Chapters 12 - 27 of this title shall not be
13 deemed to prevent local authorities with respect to streets and highways under their jurisdiction
14 and within the reasonable exercise of the police power from:

- 15 (1) Regulating the standing or parking of vehicles;
- 16 (2) Regulating traffic by means of police officers or traffic control signals;
- 17 (3) Regulating or prohibiting processions or assemblages on the highways;
- 18 (4) Designating particular highways as one-way highways and requiring that all vehicles
19 on them be moved in one specific direction;
- 20 (5) Regulating the speed of vehicles in public parks;
- 21 (6) Designating any highway as a through highway and requiring that all vehicles stop
22 before entering or crossing the same, or designating any intersection as a stop intersection and
23 requiring all vehicles to stop at one or more entrances to the stop intersection;
- 24 (7) Restricting the use of highways as authorized in §§ 31-25-25 and 31-25-26;
- 25 (8) Regulating the operation of bicycles and requiring the registration and licensing of the
26 these, including the requirement of a registration fee;
- 27 (9) Regulating or prohibiting the turning of vehicles or specified types of vehicles at
28 intersections;
- 29 (10) Altering the prima facie speed limits as authorized by these chapters;
- 30 (11) Adopting any other traffic regulations specifically authorized by chapters 12 - 27 of
31 this title;
- 32 (12) The city council of the city of Woonsocket is authorized and empowered to
33 enact ordinances providing that the chief of police, or the police officers that he or she
34 may from time to time designate, may impound, by means of a 'Denver boot,' so-called,

1 or other immobilization device, or cause to be impounded, through the agency of a person
2 or persons in the employ of the city of Woonsocket or the police department, or by
3 independent contractor, any vehicle parked or standing on any part of any way under the
4 control of the city, if in the calendar year in which the vehicle is impounded and in the
5 preceding calendar year, the aggregate of five or more notices of violation of any
6 ordinances adopted for the regulation of parking of motor vehicles (whether adopted prior
7 to or date on which the vehicle was impounded, the location at which it was impounded,
8 and a statement that it will be released on the payment of all fines and charges lawfully
9 imposed for the impoundment. If, after thirty (30) days of mailing of the notice to the
10 registered owner as provided for in this section, the owner has not paid all fines and
11 charges imposed for the impounding, the impounded vehicle shall be deemed to have
12 been abandoned and may be disposed of in accordance with §§ 31-22-14, 31-22-15, 31-
13 22-17 and 31-22-18, first applying the proceeds to pay all fines and charges imposed for
14 the impoundment. Vehicles owned by the state or a political subdivision of it or by the
15 United States or any instrumentality of it or registered by a member of a foreign
16 diplomatic corps or by a foreign consular officer who is a citizen of the United States and
17 bearing a distinctive number plate or otherwise conspicuously marked as, so owned or
18 registered, and vehicles and persons described in §§ 31-28-4, 31-28-6 and 31-28-7, shall
19 not, however, be subject to impoundment. **Violations of this section are subject to**
20 **fines enumerated in §31-41.1-4 of the general laws.**

21 SECTION 108. sections 31-13-4, 31-13-6, 31-13-9, and 31-13-11 of the General
22 Laws in Chapter 31-13 entitled “Traffic Control Devices” are hereby amended to read as
23 follows:

24 **31-13-4. Obedience to devices.** -- The driver of any vehicle shall obey the instructions of
25 any official traffic-control device applicable to him or her placed in accordance with chapters 12 -
26 27 of this title, unless otherwise directed by a traffic or police officer, subject to the exceptions
27 granted the driver of an authorized emergency vehicle in these chapters. **Violations of this**
28 **section are subject to fines enumerated in §31-41.1-4 of the general laws.**

29 **31-13-6. Specifications and meaning of traffic lights.**-- Whenever traffic is controlled
30 by traffic control signals exhibiting the words 'go', 'caution', or 'stop', or exhibiting different
31 colored lights successively one at a time, or with arrows, the following colors only shall be used,
32 and the terms and lights shall indicate and apply to drivers of vehicles and pedestrians as follows:

1 (1) Green alone or "go".

2 (i) Vehicular traffic facing the signal may proceed straight through or turn right or left
3 unless a sign at the place prohibits either a right or left turn. But vehicular traffic, including
4 vehicles turning right or left, shall yield the right-of-way to other vehicles and to pedestrians
5 lawfully within the intersection or an adjacent crosswalk at the time the signal is exhibited.

6 (ii) Pedestrians facing the signal may proceed across the roadway within any marked or
7 unmarked crosswalk.

8 (2) Yellow alone or "caution" when shown following the green or "go" signal.

9 (i) Vehicular traffic facing the signal is warned that the red or 'stop' signal will be
10 exhibited immediately after, and the vehicular traffic shall not enter or be crossing the
11 intersection when the red or 'stop' signal is exhibited.

12 (ii) Pedestrians facing the signal are advised by it that there is insufficient time to cross
13 the roadway, and any pedestrian then starting to cross shall yield the right-of-way to all vehicles.

14 (3) Red alone or "stop".

15 (i) Vehicular traffic facing the signal shall stop before entering the crosswalk on
16 the near side of the intersection or, if none, then before entering the intersection, and shall
17 remain standing until the green or 'go' is shown alone, and shall not, prior to reaching the
18 intersection, make any turn over or through private property in order to avoid the signal,
19 provided, a right hand turn shall be permitted after vehicular traffic reaches a complete
20 stop, at intersections when safety would permit a turn and no sign forbids it. **Violations**

21 **of this section are subject to fines enumerated in §31-41.1-4 of the general laws.**

22 (ii) No pedestrian facing the signal shall enter the roadway unless he or she can do so
23 safely and without interfering with any vehicular traffic.

24 (4) Red with green arrow.

25 (i) Vehicular traffic facing the signal may cautiously enter the intersection only to make
26 the movement indicated by the arrow, but shall yield the right-of-way to pedestrians lawfully
27 within a crosswalk and to other traffic lawfully using the intersection.

28 (ii) No pedestrian facing the signal shall enter the roadway unless he or she can do so
29 safely and without interfering with any vehicular traffic.

30 **31-13-9. Flashing signals.** -- Whenever an illuminated flashing red or yellow signal is
31 used in a traffic sign or signal it shall require obedience by vehicular traffic as follows:

32 (1) Flashing red (stop signal). When a red lens is illuminated with rapid intermittent
33 flashes, drivers of vehicles shall stop before entering the nearest crosswalk at an intersection or at

1 a limit line when marked, or, if none, then before entering the intersection, and the right to
2 proceed shall be subject to the rules applicable after making a stop at a stop sign.

3 (2) Flashing yellow (caution signal). When a yellow lens is illuminated with rapid
4 intermittent flashes, drivers of vehicles may proceed through the intersection or past the signal
5 only with caution.

6 (3) Flashing green (pedestrian signal). When a green lens is illuminated with rapid
7 intermittent flashes, drivers of vehicles may proceed through the intersection or crosswalk past
8 the signal only with caution.

9 **Violations of this section are subject to fines enumerated in §31-41.1-4 of the**
10 **general laws.**

11 **31-13-11. Injury to signs and devices prohibited** -- No person shall without lawful
12 authority attempt to or in fact alter, deface, injure, knock down, or remove any official traffic -
13 control device or any railroad sign or signal or any inscription, shield, or insignia on it, or any
14 other part of it. Violations of this section are subject to fines enumerated in §31-41.1-4 of the
15 general laws.

16 SECTION 109. Sections 31-14-1, 31-14-3, 31-14-9, and 31-14-12 of the General Laws in
17 Chapter 31-14 entitled “Speed Restrictions” are hereby amended to read as follows:

18 **31-14-1. Reasonable and prudent speeds**. -- No person shall drive a vehicle on a
19 highway at a speed greater than is reasonable and prudent under the conditions and having regard
20 to the actual and potential hazards then existing. In every event, speed shall be controlled as may
21 be necessary to avoid colliding with any person, vehicle, or other conveyance on or entering the
22 highway in compliance with legal requirements and the duty of all persons to use due care.
23 Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

24 **31-14-3. Conditions requiring reduced speed**. -- The driver of every vehicle shall,
25 consistent with the requirements of § 31-14-1, drive at an appropriate reduced speed when
26 approaching and crossing an intersection or railroad-grade crossing, when approaching and going
27 around a curve, when approaching a hill crest, when traveling upon any narrow or winding
28 roadway, and when special hazard exists with respect to pedestrians or other traffic, or by reason
29 of weather or highway conditions. Violations of this section are subject to fines enumerated in
30 §31-41.1-4 of the general laws.

31 **31-14-9. Minimum speed**. – (a) No person shall drive a motor vehicle at such a slow
32 speed as to impede or block the normal and reasonable movement of traffic except when reduced
33 speed is necessary for safe operation or in compliance with law.

1 (b) Police officers are authorized to enforce this provision by directions to
2 drivers, and in the event of apparent willful disobedience to this provision and refusal to
3 comply with direction of an officer in accordance herewith, the continued slow operation
4 by a driver shall be a civil violation **and is subject to fines enumerated in §31-41.1-4 of**
5 **the general laws.**

6 **31-14-12. Speed limits on bridges and structures.** -- (a) No person shall drive a
7 vehicle over any bridge or other elevated structure constituting a part of a highway at a speed
8 which is greater than the maximum speed which can be maintained with safety to the bridge or
9 structure, when the structure is sign-posted as provided in this section.

10 (b) The state traffic commission upon request from any local authority shall, or upon its
11 own initiative may, conduct an investigation of any bridge or other elevated structure constituting
12 a part of a highway. If it finds that the structure cannot with safety to itself withstand vehicles
13 traveling at the speed otherwise permissible under this chapter, the commission shall determine
14 and declare the maximum speed of vehicles which the structure can withstand, and shall cause or
15 permit suitable signs stating the maximum speed to be erected and maintained at a distance of one
16 hundred feet (100') before each end of the structure.

17 (c) Upon the trial of any person charged with a violation of this section, proof of the
18 determination of the maximum speed by the commission and the existence of the signs shall
19 constitute conclusive evidence of the maximum speed which can be maintained with safety to the
20 bridge or structure.

21 **(d) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
22 **the general laws.**

23 SECTION 110. Sections 31-15-1, 31-15-2, 31-15-3, 31-15-4, 31-15-5, 31-15-6,
24 31-15-7, 31-15-8, 31-15-9, 31-15-10, 31-15-11, 31-15-12, 31-15-12.1, 31-15-13, 31-15-
25 14, and 31-15-16 of the General Laws in Chapter 31-15 entitled "Passing, Use of Lanes,
26 and Rules of the Road" are hereby amended to read as follows:

27 **31-15-1. Right half of road.** -- Upon all roadways of sufficient width a vehicle shall be
28 driven upon the right half of the roadway, except as follows:

- 29 (1) When overtaking and passing another vehicle proceeding in the same direction under the rules
30 governing this movement;
- 31 (2) When the right half of a roadway is closed to traffic while under construction or repair;
- 32 (3) Upon a roadway divided into three (3) marked lanes for traffic under the rules applicable
33 thereon; or

1 (4) Upon a roadway designated and sign-posted for one-way traffic.

2 **Violations of this section are subject to fines enumerated in §31-41.1-4 of the general**
3 **laws.**

4 **31-15-2. Slow traffic to right.** -- Upon all roadways, any vehicle proceeding at less than
5 the normal speed of traffic at the time and place and under the conditions then existing shall be
6 driven in the right-hand lane then available for traffic, or as close as practicable to the right-hand
7 curb or edge of the roadway, except when overtaking and passing another vehicle proceeding in
8 the same direction or when preparing for a left turn at an intersection or into a private road or
9 driveway. Violations of this section are subject to fines enumerated in §31-41.1-4 of the general
10 laws.

11 **31-15-3. Passing of vehicles proceeding in opposite directions.** -- Drivers of vehicles
12 proceeding in opposite directions shall pass each other to the right, and upon roadways having a
13 width for not more than one line of traffic in each direction, each driver shall give to the other as
14 nearly as possible at least one-half of the main traveled portion of the roadway. Violations of this
15 section are subject to fines enumerated in §31-41.1-4 of the general laws.

16 **31-15-4. Overtaking on left.** -- The following rules shall govern the overtaking and
17 passing of vehicles proceeding in the same direction, subject to those limitations, exceptions, and
18 special rules stated in this section:

19 (1) The driver of a vehicle overtaking another vehicle proceeding in the same direction
20 shall give a timely, audible signal and shall pass to the left at a safe distance and shall not again
21 drive to the right side of the roadway until safely clear of the overtaken vehicle.

22 (2) Except when overtaking and passing on the right is permitted, the driver of the
23 front vehicle on the audible signal of the overtaking vehicle shall give way to the right,
24 and shall not increase speed until completely passed by the overtaking vehicle.

25 **Violations of this section are subject to fines enumerated in §31-41.1-4 of the general**
26 **laws.**

27 **31-15-5. Overtaking on the right.** -- (a) The driver of a vehicle may overtake and pass
28 upon the right of another vehicle only under the following conditions:

29 (1) When the vehicle overtaken is making or about to make a left turn;

30 (2) Upon a one-way street, or upon any roadway on which traffic is restricted to
31 one direction of movement, where the roadway is free from obstructions and of sufficient
32 width for two (2) or more lines of moving vehicles. **Violations of this section are**
33 **subject to fines enumerated in §31-41.1-4 of the general laws.**

(b) The driver of a vehicle may overtake and pass another vehicle upon the right only under conditions permitting this movement in safety. In no event shall this movement be made by driving off the pavement or main-traveled portion of the roadway.

31-15-6. Clearance for overtaking. -- No vehicle shall be driven to the left side of the center of the roadway in overtaking and passing another vehicle proceeding in the same direction, unless the left side is clearly visible and is free of oncoming traffic for a sufficient distance ahead to permit the overtaking and passing to be completely made without interfering with the safe operation of any vehicle approaching from the opposite direction or any vehicle overtaken. In every event the overtaking vehicle must return to the right-hand side of the roadway before coming within one hundred feet (100') of any vehicle approaching from the opposite direction. Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

31-15-7. Places where overtaking prohibited. -- (a) No vehicle shall at any time be driven to the left side of the roadway under the following conditions:

(1) When approaching the crest of a grade or upon a curve in the highway where the driver's view is obstructed within such distance as to create a hazard in the event another vehicle might approach from the opposite direction;

(2) When approaching within one hundred feet (100') of or traversing any intersection or railroad grade crossing;

(3) When the view is obstructed upon approaching within one hundred feet (100') of any bridge, viaduct, or tunnel.

(b) These limitations shall not apply upon a one-way roadway.

Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

31-15-8. Posting of no passing zones. -- The state traffic commission is authorized to determine those portions of any highway where overtaking and passing or driving to the left of the roadway would be especially hazardous, and may by appropriate signs or markings on the roadway indicate the beginning and end of the zones. When the signs or markings are in place and clearly visible to an ordinarily observant person, every driver of a vehicle shall obey the directions given by them. Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

31-15-9. One way highways. -- (a) The state traffic commission may designate any highway or any separate roadway under its jurisdiction for one-way traffic, and shall erect appropriate signs giving notice of that designation.

(b) Upon a roadway designated and sign-posted for one-way traffic a vehicle shall be driven only in the direction designated.

Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

31-15-10. Rotary traffic islands. -- A vehicle passing around a rotary traffic island shall be driven only to the right of the island. Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

31-15-11. Laned roadways. -- Whenever any roadway has been divided into two (2) or more clearly marked lanes for traffic, the following rules in addition to all others consistent with them shall apply:

(1) A vehicle shall be driven as nearly as practical entirely within a single lane and shall not be moved from the lane until the driver has first ascertained that the movement can be made with safety.

(2) Upon a roadway which is divided into three (3) lanes, a vehicle shall not be driven in the center lane except when overtaking and passing another vehicle where the roadway is clearly visible and the center lane is clear of traffic within a safe distance, or in preparation for a left turn or where the center lane is at the time allocated exclusively to traffic moving in the direction the vehicle is proceeding and is sign-posted to give notice of the allocation.

(3) Official signs may be erected directing slow-moving traffic to use a designated lane or designating those lanes to be used by traffic moving in a particular direction regardless of the center of the roadway, and drivers of vehicles shall obey the directions of the sign.

Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

31-15-12. Interval between vehicles. -- The driver of a motor vehicle shall not follow another vehicle more closely than is reasonable and prudent, having due regard for the speed of the vehicles and the traffic upon and the condition of the highway, and shall, whenever traveling through a business or residential district, and whenever traffic permits, leave sufficient space so that an overtaking vehicle may enter and occupy the space without danger. This provision does not apply to a caravan under police escort or a funeral procession. Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

31-15-12.1. Entering intersections. -- The driver of a motor vehicle shall not enter an intersection whether or not any traffic signal is green unless there is sufficient space in the roadway he or she is about to enter beyond the intersection to receive that vehicle without

blocking the intersection. Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

31-15-13. Divided highways. -- Whenever any highway has been divided into two (2) roadways by leaving an intervening space or by a physical barrier or clearly indicated dividing section so constructed as to impede vehicular traffic, every vehicle shall be driven only upon the right-hand roadway and no vehicle shall be driven over, across, or within a dividing space, barrier, or section, except through an opening in the physical barrier or dividing section or space or at a crossover or intersection established and permitted by public authority. Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

31-15-14. Entry or leaving of limited-access roadways. -- No person shall drive a vehicle onto or from any limited-access roadway except at those entrances and exits established by public authority. Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

31-15-16. Use of emergency break-down lane for travel. -- No person shall operate a motor vehicle for travel in the emergency break-down lane of any highway. Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

SECTION 111. Sections 31-16-1, 31-16-2, 31-16-3, 31-16-4, 31-16-5, 31-16-6, 31-16-7 and 31-16-8 of the General Laws in Chapter 31-16 entitled "Starting, Stopping, and Turns" are hereby amended to read as follows:

31-16-1. Care in starting from stop. -- No person shall start a vehicle which is stopped, standing, or parked unless and until this movement can be made with reasonable safety. Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

31-16-2. Manner of turning at intersection; pedestrian right-of-way with turning

vehicles. --(a) The driver of a vehicle intending to turn at an intersection shall do so as follows:

(1) Right turns. Both the approach for a right turn and a right turn shall be made as close as practicable to the right-hand curb or edge of the roadway.

(2) Left turns on two-way roadways. At any intersection where traffic is permitted to move in both directions on each roadway entering the intersections, an approach for a left turn shall be made in that portion of the right half of the roadway nearest the center line and by passing to the right of the center line where it enters the intersection, and, after entering the intersection, the left turn shall be made so as to leave the intersection to the right of the center line of the roadway being entered. Whenever practicable the left turn shall be made in that portion of the intersection to the left of the center of the intersection.

(3) Left turns on other than two-way roadways. At any intersection where traffic is restricted to one direction on one or more of the roadways, the driver of a vehicle intending to turn left at an intersection shall approach the intersection in the extreme left-hand lane lawfully available to traffic moving in the direction of travel of the vehicle, and, after entering the intersection, the left turn shall be made so as to leave the intersection, as nearly as practicable, in the left-hand lane lawfully available to traffic moving in the direction upon the roadway being entered.

(b) Pedestrians intending to cross a lane of traffic which is required to stop or yield by a red traffic light, stop or yield sign or other traffic-control device shall be granted the right-of-way.

(c) Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

31-16-3. Marking of turn-paths at particular intersections. -- (a) Local authorities in their respective jurisdictions may cause markers, buttons, or signs to be placed within or adjacent to intersections, and require and direct that a different course from that specified in § 31-16-2 be traveled by vehicles turning at an intersection, and when markers, buttons, or signs are placed, no driver of a vehicle shall turn a vehicle at an intersection other than as directed and required by the markers, buttons, or signs.

(b) In view of the fact that there are many intersections, including T-intersections, where large numbers of vehicles turn left, local authorities and traffic officers should permit and direct vehicles to turn left in two (2) lines at these intersections.

(c) Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

31-16-4. Places where U-turns prohibited -- No vehicle shall be turned so as to proceed in the opposite direction upon any curve or upon the approach to, or near the crest of a grade, where the vehicle cannot be seen by the driver of any other vehicle approaching from either direction within five hundred feet (500'). Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

31-16-5. Turn signal required -- No person shall turn a vehicle at an intersection unless the vehicle is in proper position upon the roadway as required in §§ 31-16-2 and 31-16-3, or turn a vehicle to enter a private road or driveway, or otherwise turn a vehicle from a direct course or move right or left upon a roadway, unless and until the movement can be made with reasonable safety. No person shall so turn any vehicle without giving an appropriate signal in the manner described in this chapter in the event any other traffic may be affected by the movement. Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

1 **31-16-6. Time of signaling turn.** -- A signal of intention to turn right or left when
2 required shall be given continuously during not less than the last one hundred feet (100') traveled
3 by the vehicle before turning. Violations of this section are subject to fines enumerated in §31-
4 41.1-4 of the general laws.

5 **31-16-7. Signaling of stops.** -- No person shall stop or suddenly decrease the speed of a
6 vehicle without first giving an appropriate signal in the manner described in this chapter to the
7 driver of any vehicle immediately to the rear when there is opportunity to give the signal.
8 Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

9 **31-16-8. Method of giving signals.** -- Any stop or turn signal when required in this
10 chapter shall be given either by means of the hand and arm or by a signal-lamp or lamps or
11 mechanical signal device, except as otherwise provided in § 31-16-9. Violations of this section
12 are subject to fines enumerated in §31-41.1-4 of the general laws.

13 SECTION 112. Section 31-17-8 of the General Laws in Chapter 31-17 entitled “Right-of-
14 Way” is hereby amended to read as follows:

15 **31-17-8. Right-of-way at rotary.** -- In the absence of any traffic-control device or sign,
16 the driver of a vehicle about to enter a rotary, regardless of the direction from which the vehicle is
17 approaching, shall yield the right-of-way to all vehicles already in the rotary. The state traffic
18 commission shall determine the location of yield signs at rotaries. Violations of this section are
19 subject to fines enumerated in §31-41.1-4 of the general laws.

20 SECTION 113. Sections 31-18-3, 31-18-5, 31-18-8, 31-18-12, and 31-18-18 of the
21 General Laws in Chapter 31-18 entitled “Pedestrians” are hereby amended to read as follows:

22 **31-18-3. Right-of-way in crosswalk.** -- (a) When traffic-control signals are not in place
23 or not in operation the driver of a vehicle shall yield the right-of-way, slowing down or stopping
24 if need be to yield, to a pedestrian crossing the roadway within a crosswalk when the pedestrian is
25 upon the half of the roadway upon which the vehicle is traveling, or when the pedestrian is
26 approaching so closely from the opposite half of the roadway as to be in danger, but no pedestrian
27 shall suddenly leave a curb or other place of safety and walk or run into the path of a vehicle
28 which is so close that it is impossible for the driver to yield. This provision shall not apply under
29 the conditions stated in § 31-18-6.

30 **(b) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
31 **the general laws and** ~~In~~ in addition to any other penalty provided by law, a judge or
32 magistrate shall impose a mandatory fine of one hundred dollars (\$100) for a second or
33 any subsequent violation of this section.

1 **31-18-5. Crossing other than at crosswalks.** -- Every pedestrian crossing a
2 roadway at any point other than within a marked crosswalk or within an unmarked
3 crosswalk at an intersection shall yield the right-of-way to all vehicles upon the roadway.

4 **Violations of this section are subject to fines enumerated in §31-41.1-4 of the general**
5 **laws.**

6 **31-18-8. Due care by drivers.** -- Notwithstanding other provisions of this chapter
7 or the provisions of any local ordinance, every driver of a vehicle shall exercise due care
8 to avoid colliding with any pedestrian or any person propelling a human-powered vehicle
9 upon any roadway, shall give an audible signal when necessary, and shall exercise proper
10 precaution upon observing any child or any obviously confused, intoxicated, or
11 incapacitated person. **Violations of this section are subject to fines enumerated in §31-**
12 **41.1-4 of the general laws.**

13 **31-18-12. Hitchhiking in road.** -- No person shall stand in a roadway for the purpose of
14 soliciting a ride from the driver of any vehicle. **Violations of this section are subject to fines**
15 **enumerated in §31-41.1-4 of the general laws.**

16 **31-18-18. Right-of-way on sidewalks.** -- The driver of a vehicle crossing a sidewalk
17 shall yield the right-of-way to all traffic proceeding along and upon the sidewalk. **Violations of**
18 **this section are subject to fines enumerated in §31-41.1-4 of the general laws.**

19 SECTION 114. Section 31-19.1-2 of the General Laws in Chapter 31-19.1 entitled
20 “Motorized Bicycles” is hereby amended to read as follows:

21 **31-19.1-2. Driving on interstate highways prohibited** -- No person shall
22 operate a motorized bicycle upon an interstate highway within this state. **Violations of**
23 **this section are subject to fines enumerated in §31-41.1-4 of the general laws.**

24 SECTION 115. section 31-19.2-2 of the General Laws in Chapter 31-19.2 entitled
25 “Motorized Tricycles” is hereby amended to read as follows:

26 **31-19.2-2. Driving on interstate highways prohibited** -- No person shall
27 operate a motorized tricycle upon an interstate highway within this state. **Violations of**
28 **this section are subject to fines enumerated in §31-41.1-4 of the general laws.**

29 SECTION 116. Sections 31-19-3, 31-19-20, and 31-19-21 of the General Laws in
30 Chapter 31-19 entitled “Operation of Bicycles” are hereby amended to read as follows:

31 **31-19-3. Applicability of traffic laws.** -- Every person propelling a vehicle by
32 human power shall be granted all of the rights and shall be subject to all of the duties

1 applicable to the driver of any other vehicle by chapters 12 - 27 of this title, except as to
2 special regulations in this chapter and except as to those provisions of chapters 12 - 27
3 which by their nature can have no application. This section shall not forbid a bicyclist
4 from traveling upon the shoulders of the highway except for those highways which
5 prohibit bicyclists. **Violations of this section are subject to fines enumerated in §31-**
6 **41.1-4 of the general laws.**

7 **31-19-20. Sale of new bicycles.** -- In every sale of a new bicycle, the seller shall
8 issue a bill of sale which shall contain on it the date of sale, the seller's and buyer's name
9 and address, the manufacturer's name, model, and serial number of the bicycle.

10 **Violations of this section are subject to fines enumerated in §31-41.1-4 of the general**
11 **laws.**

12 **31-19-21. Sale of used bicycles.** -- In every sale of a used bicycle, the seller shall
13 issue a bill of sale which shall contain on it the date of sale, the seller's and buyer's names
14 and addresses, the manufacturer's name, model, and serial numbers where this
15 information is available on the bicycle. Where any of this information is missing, the
16 seller must obtain a registration number from the local police. **Violations of this section**
17 **are subject to fines enumerated in §31-41.1-4 of the general laws.**

18 SECTION 117. Sections 31-20-1, 31-20-2, and 31-20-9 of the General Laws in
19 Chapter 31-20 entitled "Special Stops Required" are hereby amended to read as follows:

20 **31-20-1. When railroad crossing stops required of all vehicles.** -- Whenever
21 any person driving a vehicle approaches a railroad grade crossing under any of the
22 circumstances stated in this section the driver of the vehicle must stop within fifty feet
23 (50') but not less than fifteen feet (15') from the nearest rail of the railroad, and may not
24 proceed until he or she can do so safely. These requirements apply when:

25 (1) A clearly visible electric or mechanical signal device gives warning of the
26 immediate approach of a railroad train;

27 (2) A crossing gate is lowered, or when a human flagperson gives or continues to
28 give a signal of the approach or passage of a railroad train;

29 (3) A railroad train approaching within approximately one thousand five hundred
30 feet (1,500') of the highway crossing emits a signal audible from that distance, and the
31 railroad train, because of its speed or nearness to the crossing, is an immediate hazard;

1 (4) An approaching railroad train is plainly visible and is in hazardous proximity
2 to the crossing.

3 **Violations of this section are subject to fines enumerated in §31-41.1-4 of the**
4 **general laws.**

5 **31-20-2. Driving through railroad gate or barrier.** -- No person may drive any
6 vehicle through, around, or under any crossing gate or barrier at a railroad grade crossing
7 while the gate or barrier is closed or is being opened or closed.

8 **Violations of this section are subject to fines enumerated in §31-41.1-4 of the**
9 **general laws.**

10 **31-20-9. Obedience to stop signs.** -- Every driver of a vehicle approaching a stop
11 sign must stop before the crosswalk on the near side of the intersection. If there is no
12 crosswalk, the driver must stop at the stop line. If there is no crosswalk and no stop line,
13 the driver must stop before entering the intersection at the point nearest the intersecting
14 highway where the driver has a view of all approaching traffic, except when directed to
15 proceed by a police officer. **Violations of this section are subject to fines enumerated**
16 **in §31-41.1-4 of the general laws.**

17 SECTION 118. sections 31-21-4 and 31-21-14 of the General Laws in Chapter
18 31-21 entitled “Stopping, Standing, and Parking Restrictions” are hereby amended to
19 read as follows:

20 **31-21-4. Places where parking or stopping prohibited** -- No person may stop,
21 stand, or park a vehicle, except when necessary to avoid conflict with other traffic or in
22 compliance with law or the directions of a police officer or traffic control device, in any
23 of the following places:

- 24 (1) On a sidewalk;
- 25 (2) In front of a public or private driveway;
- 26 (3) Within an intersection;
- 27 (4) Within eight feet (8') of a fire hydrant;
- 28 (5) On a crosswalk;
- 29 (6) Within twenty feet (20') of a crosswalk at an intersection;
- 30 (7) Within thirty feet (30') upon the approach to any flashing beacon, stop sign, or
31 traffic control signal located at the side of a roadway;

(8) Between a safety zone and the adjacent curb, or within thirty feet (30') of points on the curb immediately opposite the ends of a safety zone, unless the (traffic authority) indicates a different length by signs or markings;

(9) Within fifty feet (50') of the nearest rail of a railroad crossing;

(10) Within twenty feet (20') of the driveway entrance to any fire station, and on the side of a street opposite the entrance to any fire station within seventy-five feet (75') of the entrance (when properly sign-posted);

(11) Alongside or opposite any street excavation or obstruction when stopping, standing, or parking would obstruct traffic;

(12) On the roadway side of any vehicle stopped or parked at the edge or curb of a street;

(13) Upon any bridge or other elevated structure upon a highway or within a highway tunnel;

(14) At any place where official signs prohibit stopping;

(15) At any curb cut or ramp for persons with disabilities.

Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

31-21-14. Opening vehicle doors. -- No person may open the door of a motor vehicle on the roadways, streets, or highways of this state unless and until it is reasonably safe to do so, and can be done without interfering with the movement of other traffic. No person may leave a door open on the side of a vehicle on the roadways, streets, or highways of this state for a period of time longer than necessary to load or unload passengers. Any person violating the provisions of this section ~~upon conviction shall be fined twenty dollars (\$20.00)~~ fifty dollars (\$50.00).

SECTION 119. Sections 31-22-2, 31-22-4, 31-22-4, 31-22-6, 31-22-7, 31-22-8, 31-22-9, and 31-22-24 of the General Laws in Chapter 31-22 entitled "Miscellaneous Rules" are hereby amended to read as follows:

31-22-2. Restrictions on backing. -- The driver of a vehicle may not move in reverse unless that movement can be made with reasonable safety and without interfering with other traffic. **Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.**

31-22-4. Overloading of vehicles. -- (a) No person shall drive a vehicle when it is overloaded, or when there are more than three (3) persons in the front seat and the view of the

1 driver to the front or sides of the vehicle is obstructed, or the driver's control over the driving
2 mechanism of the vehicle is impeded.

3 (b) No passenger in a vehicle shall ride in any position that interferes with the
4 driver's view ahead or to the sides, or that interferes with the driver's control over the
5 driving mechanism of the vehicle.

6 **(c) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
7 **the general laws.**

8 **31-22-5. Safety zones.** -- No vehicle shall at any time be driven through or within a
9 safety zone. Violations of this section are subject to fines enumerated in §31-41.1-4 of the
10 general laws.

11 **31-22-6. Coasting prohibited.** -- (a) When traveling down a grade, the driver of
12 any motor vehicle shall not coast with the vehicle in neutral gear.

13 (b) When traveling down a grade, the driver of a commercial motor vehicle shall
14 not coast with the clutch applied in order to disengage the drive gears.

15 **(c) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
16 **the general laws.**

17 **31-22-7. Following fire apparatus.** -- The driver of any vehicle not on official business,
18 shall not follow any fire apparatus traveling in response to a fire alarm closer than five hundred
19 feet (500'), or drive into or park the vehicle within the block where fire apparatus has stopped in
20 answer to a fire alarm. Violations of this section are subject to fines enumerated in §31-41.1-4 of
21 the general laws.

22 **31-22-8. Crossing fire hose.** -- No vehicle shall be driven over any unprotected fire
23 department hose, when it is laid down on any street or private driveway to be used at any fire or
24 alarm of fire, without the consent of the fire department official in command. Violations of this
25 section are subject to fines enumerated in §31-41.1-4 of the general laws.

26 **31-22-9. Throwing debris on highway - Snow removal.** -- (a) No person shall throw or
27 deposit upon any highway any glass bottle, glass, nails, tacks, wire, cans, or any other substance
28 likely to injure any person, animal, or vehicle upon the highway, or likely to deface the beauty or
29 cleanliness of the highway. No person, in removing snow from any public or private driveway,
30 shall leave the snow in any condition so as to constitute a hazard on the highway.

31 (b) The director of administration shall post signs advising the public of penalties
32 for throwing debris on the highways.

1 **(c) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
2 **the general laws.**

3 **31-22-24. Interior lights to be operated before dawn and after dusk during**
4 **police stop.** --The operator of any vehicle upon a highway within this state, when stopped
5 by a law enforcement or police officer between a half-hour after sunset to a half-hour
6 before sunrise, must operate the vehicle's interior lights until the officer allows the
7 vehicle to proceed. **Violations of this section are subject to fines enumerated in §31-**
8 **41.1-4 of the general laws.**

9 SECTION 120. Sections 31-23-4, 31-23-8, 31-23-10, 31-23-13, 31-23-13.1, 31-
10 23-14, 31-23-15, 31-23-16, 31-23-17, 31-23-19, 31-23-20, 31-23-26, 31-23-27, 31-23-29,
11 31-23-40, 31-23-42.1, 31-23-43, 31-23-45 and 31-23-47 of the General Laws in Chapter
12 31-23 entitled "Equipment and Accessories Generally" are hereby amended to read as
13 follows:

14 **31-23-4. Brake equipment required.** -- (a) Every motor vehicle, other than a
15 motorcycle or motor-driven cycle, when operated upon a highway, shall be equipped with
16 brakes adequate to slow, stop, and hold the vehicle, including two (2) separate means of
17 applying the brakes, each of which means shall be effective to apply the brakes to at least
18 two (2) wheels. These two means of applying the brakes must be constructed so that
19 failure of any one part of the operating mechanism does not leave the motor vehicle
20 without brakes on at least two (2) wheels.

21 (b) Every motorcycle and motor-driven cycle, when operated upon a highway,
22 shall be equipped with at least one brake, which may be operated by hand or foot, and
23 which is adequate to slow and stop the vehicle.

24 (c) Every trailer or semitrailer of a gross weight of four thousand pounds (4,000
25 lbs.) or more, when operated upon a highway, shall be equipped with brakes adequate to
26 slow, stop, and to hold the vehicle. These brakes must be designed to be applied from the
27 normal operating position by the driver of the towing motor vehicle. The brakes shall be
28 so designed and connected that in case of an accidental breakaway of the towed vehicle,
29 the brakes shall be automatically applied.

30 (d) Every new motor vehicle, trailer, or semitrailer sold in this state and operated
31 upon the highways shall be equipped with service brakes upon all wheels. Motorcycles,

1 motor-driven cycles, and semitrailers of less than four thousand pounds (4,000 lbs.) gross
2 weight need not be equipped with service brakes.

3 (e) In any combination of motor-drawn vehicles means shall be provided for
4 applying the rearmost trailer brakes of any trailer equipped with brakes, in approximate
5 synchronism with the brakes on the towing vehicle and developing the required braking
6 effort on the rearmost wheels at the fastest rate; or means shall be provided for applying
7 braking effort first on the rearmost trailer equipped with brakes; or both of the above
8 means capable of being used alternatively may be employed.

9 (f) Every motor vehicle, trailer, semitrailer, and pole trailer, and any combination
10 of those vehicles, except motorcycles and motor-driven cycles, shall be equipped with
11 parking brakes adequate to hold the vehicle on any grade on which it is operated, under
12 all conditions of loading on a surface free from snow, ice, or loose material. The parking
13 brakes shall be capable of being applied in conformance with the foregoing requirements
14 by the driver's muscular effort, by spring action, or by equivalent means. The operation
15 may be assisted by the service brakes or other source of power, provided that failure of
16 the service brake actuation system or other power assisting mechanism will not prevent
17 the parking brakes from being applied in conformance with the foregoing requirements.
18 The parking brakes shall be so designed that when once applied they shall remain applied
19 with the required effectiveness, despite exhaustion of any source of energy or leakage of
20 any kind. The same brake drums, brake shoes and lining assemblies, brake shoe anchors,
21 and mechanical brake shoe actuation mechanism normally associated with the wheel
22 brake assemblies may be used for both the service brakes and the parking brakes. If the
23 means of applying the parking brakes and the service brakes are connected in any way,
24 they shall be so constructed that failure of any one part shall not leave the vehicle without
25 operative brakes.

26 (g) The brake shoes operating within or upon the drums on the vehicle wheels of
27 any motor vehicle may be used for both service and hand operation.

28 (h) It is unlawful to sell, offer for sale, or distribute brake linings for use on motor
29 vehicles, unless they meet specifications promulgated by the administrator of motor vehicles. The
30 administrator is authorized and empowered to adopt and amend regulations governing types and
31 to promulgate specifications of brake linings which comply with the standards established by the
32 vehicle equipment safety commission. The administrator shall establish and maintain an approved

1 list of brake linings meeting those specifications. Any person who violates the provisions of this
2 section is guilty of a civil violation and is subject to a fines enumerated in §31-41.1-4 of the
3 general laws.

4 **31-23-8. Horn required.** -- Every motor vehicle when operated upon a highway
5 shall be equipped with a horn in good working order and capable of emitting sound
6 audible under normal conditions from a distance of not less than two hundred feet (200').
7 No horn or other warning device shall emit an unreasonably loud or harsh sound or a
8 whistle. The driver of a motor vehicle shall when reasonably necessary to insure safe
9 operation give audible warning with his or her horn but shall not otherwise use the horn
10 when upon a highway. **Violations of this section are subject to fines enumerated in**
11 **§31-41.1-4 of the general laws.**

12 **31-23-10. Sirens, bells, and whistles prohibited.** -- No vehicle may be equipped
13 with nor may any person use upon a vehicle any siren, whistle, or bell, except as
14 permitted in §§ 31-23-9, 31-23-11, and 31-23-12. **Violations of this section are subject**
15 **to fines enumerated in §31-41.1-4 of the general laws.**

16 **31-23-13. Muffler.** -- Every motor vehicle shall at all times be equipped with a
17 muffler in good working order and in constant operation to prevent excessive or unusual
18 noise and annoying smoke. No person shall use a muffler cutout, bypass, or similar
19 device upon a motor vehicle on a highway. Any exhaust system is defective if any
20 changes, modifications, alterations, deletions, or adjustments have been made which
21 would cause the exhaust system to generate a higher or louder sound level than would be
22 generated by the exhaust system customarily installed by the manufacturer as original
23 equipment. The defective exhaust system shall be replaced or repaired to restore the
24 exhaust system to the performance specifications of the original equipment. Failure to
25 replace or restore the exhaust system within five (5) days is a civil violation **and**
26 **violators are subject to fines enumerated in §31-41.1-4 of the general laws.**

27 **31-23-13.1. Altering height of or operating a motor vehicle with an altered**
28 **height prohibited.** -- No person may alter the height of or operate a motor vehicle with
29 an altered height that has an original manufacturer's gross vehicle weight rating of up to
30 and including ten thousand pounds (10,000 lbs.), by elevating or lowering the chassis or
31 body by more than four inches (4') from the original manufacturers' specified height by
32 use of so called 'shackle lift kits' for leaf springs or by use of lift kits for coil springs,

1 tires, or any other means or device. The administrator shall establish rules and regulations
2 for motor vehicle heights including exceptions for vehicles used for farming or forestry.
3 No motor vehicle that has been so altered, modified, or changed beyond the limits set
4 forth in this section or the rules and regulations established by the administrator, shall be
5 operated on any highway. **Violations of this section are subject to fines enumerated in**
6 **§31-41.1-4 of the general laws.**

7 **31-23-14. Prevention of excessive fumes or smoke.** -- The engine and power
8 mechanism of every motor vehicle shall be so equipped and adjusted as to prevent the
9 escape of excessive fumes or smoke. **Violations of this section are subject to fines**
10 **enumerated in §31-41.1-4 of the general laws.**

11 **31-23-15. Rear-view mirror.**-- (a) Every motor vehicle which is so constructed or
12 loaded as to obstruct the driver's view to the rear shall be equipped with a mirror located so it
13 reflects to the driver a view of the highway for a distance of at least two hundred feet (200') to the
14 rear of the vehicle.

15 (b) Every motor vehicle, the primary function of which is the carrying of
16 passengers, shall be equipped with a rear-view mirror on the left front door or fender, so
17 located as to reflect a view of the highway for at least two hundred feet (200') to the rear
18 of the vehicle.

19 **(c) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
20 **the general laws.**

21 **31-23-16. Windshield and window stickers - Obstructions to clear view.** -- No
22 person shall drive any motor vehicle with any sign, poster, or other nontransparent
23 material, dirt, snow, or ice upon the front windshield, side wings, or side or rear windows
24 of the vehicle which obstructs the driver's clear view of the highway or any intersecting
25 highway. However, provided, that the administrator may permit, and specify the manner
26 of placing, special stickers upon the windshield or any of the windows of a motor vehicle.
27 Furthermore, no person shall drive any motor vehicle with any significant amounts of
28 snow or ice upon the vehicle; the term 'significant' shall be construed as any amount of
29 accumulation which might reasonably be expected, when blowing off the vehicle while
30 driving, to obscure the vision of an operator of another vehicle. The natural accumulation
31 of snow while driving during adverse weather conditions shall not constitute a violation

1 of this section. **Violations of this section are subject to fines enumerated in §31-41.1-4**
2 **of the general laws.**

3 **31-23-17. Windshield wipers.** -- (a) The windshield on every motor vehicle shall
4 be equipped with a device for cleaning rain, snow, or other moisture from the windshield,
5 this device shall be constructed to be controlled or operated by the driver of the vehicle.

6 (b) Every windshield wiper upon a motor vehicle shall be maintained in good
7 working order.

8 **(c) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
9 **the general laws.**

10 **31-23-19. Metal tires prohibited.** -- No person may operate or move on any
11 highway any motor vehicle, trailer, or semi trailer having any metal tire in contact with
12 the roadway. **Violations of this section are subject to fines enumerated in §31-41.1-4**
13 **of the general laws.**

14 **31-23-20. Protuberances on tires.** -- No tire on a vehicle moved on a highway
15 shall have on its periphery any block, flange, cleat, or pointed spike or other protuberance
16 of any material other than rubber which projects beyond the tread of the traction surface
17 of the tire, except that:

18 (1) It is permissible to use tires with flat-headed studs projecting one-sixteenth
19 inch (1/16') or less beyond the tread of the traction surface, but only from the fifteenth
20 day of November to the first day of April;

21 (2) It is permissible to use farm machinery with tires having protuberances which
22 will not injure the highway; and

23 (3) It is permissible to use tire chains of reasonable proportions upon any vehicle
24 when required for safety because of snow, ice, or other conditions tending to cause a
25 vehicle to skid.

26 **(4) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
27 **the general laws.**

28 **31-23-26. Fenders and wheel flaps required.** -- No person shall operate any
29 motor vehicle on any public highway of this state unless the vehicle is equipped with
30 fenders covering the front wheels of the motor vehicle. No person shall operate any
31 passenger motor vehicle on any public highway equipped with tires which extend beyond

the fenders or body of the vehicle unless it is also equipped with flaps or suitable guards to reduce spray or splash to the rear and sides. **Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.**

31-23-27. Rear wheel flaps on buses, trucks, and trailers. -- No person shall operate or cause to be operated any bus, truck, full trailer, or semitrailer, of registered gross weight exceeding three (3) tons on any public highway in this state unless it is equipped with suitable metal protectors or substantial flexible flaps behind the rearmost wheels. If the rear wheels are not covered at the top and rear by fender, body, or other parts of the vehicle, the rear wheels shall be covered at the top and rear by protective means of a standard type or design, and installed so as to reduce, as far as practicable, the wheels from throwing dirt, water, or other materials on the windshields of following vehicles. This provision does not apply when the motor vehicle is designed and constructed to attain this end through other fender or body construction, or by other means of enclosure. However, §§ 31-23-26 - 31-23-28 do not apply to vehicles that require complete freedom around the wheel area in order to serve the end for which they were designed. **Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.**

31-23-29. Flares and warning devices. -- (a) No person shall operate any truck, truck/tractor, or passenger bus upon any highway unless that vehicle is equipped with flares and/or warning devices for stopped and/or disabled vehicles.

(b) These flares and/or warning devices shall conform and be displayed according to regulations set forth in 49 CFR parts 390 - 399, as amended.

(c) Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

31-23-40. Approved types of seat belts - Enforcement of requirements. -- All safety belts must be of a type and must be installed in a manner approved by the division of motor vehicles. The division shall establish specifications and requirements for approved types of safety belts and attachments to them. The division will accept, as approved, all seat belt installations and the belt and anchor meeting the society of automotive engineers' specifications. No new passenger motor vehicle shall be registered unless it is equipped with an approved type of safety seat belt. The administrator shall

1 suspend the registration of any motor vehicle not so equipped until it is made to conform
2 to the requirements of this section. **Violations of this section are subject to fines**
3 **enumerated in §31-41.1-4 of the general laws.**

4 **31-23-42.1. Special mirrors on school buses.** -- Every school bus as defined in §
5 31-1-3(r) shall be equipped with a system of mirrors that will give the seated driver a
6 view of the roadway to each side of the bus, and the area immediately in front of the front
7 bumper, in accordance with the following specifications:

8 (1) At least seven and one-half inches (7 1/2') of a thirty-inch (30') long rod shall
9 be visible to the driver, either by direct view or by means of an indirect visibility system,
10 when the rod is placed upright on the ground at any point along a traverse line extending
11 one foot from the forward-most point of the bus and one foot from the length and width
12 and rear of the bus.

13 (2) Every school bus owner shall maintain a measuring rod thirty inches (30') in
14 length with distinctive identification marks located at seven and one-half inch (7 1/2')
15 intervals for purposes of adjusting the system of mirrors required by this section in
16 accordance with these specifications.

17 (3) Other mirrors shall be located and adjustable so as to meet their intended
18 minimum requirements, and may be incorporated in the system of mirrors required by
19 this section.

20 (4) Each school bus shall be equipped with at least two (2) flat-surfaced
21 rectangular exterior mirrors, one situated on each side of the bus forward of the operator
22 and any entrance door. The reflecting surface shall not be obscured and shall have a
23 minimum reflective surface of fifty square inches (50' sq.). The mirrors shall be firmly
24 supported and adjustable, and shall afford the driver a clear, stable, reflected view of the
25 road surface at each side of the vehicle for a continual distance beginning at a point not
26 greater than two hundred feet (200') to the rear and continuing to the horizon when
27 measured on a straight and level road.

28 (5) Exterior mirror mounts shall include a wide angle adjustable convex mirror to
29 provide a close-in field of vision to the operator. Each school bus shall be equipped with
30 convex mirrors that shall be mounted at the left front corner and the right front corner of

1 the vehicle, sufficiently adjustable to enable a seated operator to observe a reflection of
2 the area in front of the bus where children might stand or pass.

3 (6) Each school bus shall be equipped with interior mirrors that shall afford the
4 driver a view of the bus interior, emergency door, and the roadway to the immediate rear
5 of the bus. Every school bus with a seating capacity of sixteen (16) passengers or fewer
6 shall have a convex rear view mirror located near the right front corner, so as to provide
7 the operator with a view of the ground area at the entrance door when the door is not
8 equipped with safety glass in the lower portion of the door.

9 **Violations of this section are subject to fines enumerated in §31-41.1-4 of the**
10 **general laws.**

11 **31-23-43. Wheel safety chocks.** -- (a) Every bus having a seat capacity of more
12 than seven (7) passengers, every truck with a gross weight of more than seven thousand
13 pounds (7,000 lbs.), and every tractor or trailer, or combination, operated upon the public
14 highways shall be equipped with one pair of approved wheel safety chock blocks.

15 Whenever the motor vehicle shall be parked on a highway on a grade sufficient to cause
16 the vehicle to move of its own momentum, and is left unattended by the operator, the
17 safety chock blocks shall be securely placed around the rear wheel of the vehicle so as to
18 prevent its movement.

19 (b) Whenever the motor vehicle is equipped with positive spring-loaded air
20 parking brakes, the vehicle need not be equipped with the safety wheel chocks.

21 **(c) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
22 **the general laws.**

23 **31-23-45. Tire treads.** -- No tire on a vehicle moved on a highway shall have on
24 its periphery less than two thirty-seconds of an inch (2/32') of tread depth. The
25 administrator is authorized to remove from a highway any vehicle not conforming to this
26 requirement, and shall suspend the registration of the motor vehicle until it conforms to
27 the requirements of this section.

28 **Violations of this section are subject to fines enumerated in §31-41.1-4 of the**
29 **general laws.**

30 **31-23-47. Slow moving vehicle emblems**-- Except where otherwise provided in
31 this section, every motor vehicle designed for operation at speeds of twenty-five miles

1 per hour (25 mph) or less shall at all times be equipped with a slow moving vehicle
2 emblem mounted on the rear of it. This emblem shall comply with the current standards
3 and specifications approved by the administrator. It is further required that:

4 (1) If a towed unit is sufficiently large to obscure any slow moving emblem on the
5 rear of a motor vehicle, only the towed unit need be equipped with the emblem; and

6 (2) If the slow moving vehicle emblem on the motor vehicle would not be
7 obscured by the towed unit, then either or both may be equipped with the required
8 emblem but it shall be sufficient if either has it.

9 **(3) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
10 **the general laws.**

11 SECTION 121. Sections 31-24-1, 31-24-4, 31-24-5, 31-24-6, 31-24-7, 31-24-8,
12 31-24-9, 31-24-10, 31-24-11, 31-24-12, 31-24-13, 31-24-14, 31-24-15, 31-24-16, 31-24-
13 17, 31-24-18, 31-24-19, 31-24-20, 31-24-21, 31-24-22, 31-24-23, 31-24-24, 31-24-25,
14 31-24-26, 31-24-27, 31-24-28, 31-24-29, 31-24-30, 31-24-31, 31-24-32, 31-24-33, 31-24-
15 34, 31-24-35, 31-24-36, 31-24-37, 31-24-38, 31-24-39, 31-24-40, 31-24-41, 31-24-42,
16 31-24-43, 31-24-44, 31-24-45, 31-24-46, 31-24-47, 31-24-48, 31-24-49, 31-24-50, 31-24-
17 51, 31-24-52, 31-24-53 and 31-24-54 of the General Laws in Chapter 31-24 entitled
18 “Lighting Equipment and Reflectors” are hereby amended to read as follows:

19 **31-24-1. Times when lights required** -- Every vehicle upon a highway within
20 this state at any time from sunset to sunrise and at any other time when windshield wipers
21 are in use, as a result of rain, sleet, snow, hail, or other unfavorable atmospheric
22 condition, or at any other time when there is not sufficient light or visibility, because of
23 severe rain or any other condition, to clearly see persons and vehicles on the highway at a
24 distance of five hundred feet (500') ahead, shall display lighted lamps and illuminating
25 devices as required under this chapter for different classes of vehicles, subject to the
26 exceptions given in this chapter with respect to parked vehicles.

27 **Violations of this section are subject to fines enumerated in §31-41.1-4 of the**
28 **general laws.**

29 **31-24-4. Head lamps on vehicles other than cycles.** -- Every motor vehicle other
30 than a motorcycle or motor-driven cycle shall be equipped with at least two (2) head
31 lamps with at least one on each side of the front of the motor vehicle, and the head lamps

shall comply with the requirements and limitations of this chapter. **Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.**

31-24-5. Head lamps on motorcycles and motor-driven cycles. -- Every motor cycle and every motor-driven cycle shall be equipped with at least one and not more than two (2) head lamps which shall comply with the requirements and limitations of this chapter. **Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.**

31-24-6. Height of head lamps. -- Every head lamp, upon every motor vehicle, including every motorcycle and motor-driven cycle shall be located at a height of not more than fifty-four inches (54') nor less than twenty-four inches (24'), to be measured as set forth in § 31-24-3. **Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.**

31-24-7. Tail lamps required. -- Every motor vehicle, trailer, semitrailer, and pole trailer, and any other vehicle which is being drawn at the end of a train of vehicles, shall be equipped with at least one tail lamp mounted on the rear which, when lighted as required in this chapter, emits a red light plainly visible from a distance of five hundred feet (500') to the rear, provided that in the case of a train of vehicles only the tail lamp on the rearmost vehicle need actually be seen from the distance specified. **Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.**

31-24-8. Height of tail lamps -- Every tail lamp upon every vehicle shall be located at a height of not more than seventy-two inches (72') nor less than twenty inches (20'), to be measured as set forth in § 31-24-3. **Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.**

31-24-9. Illumination of rear registration plate - Wiring of rear lights in connection with head lamps. -- Either a tail lamp or a separate lamp shall be constructed and placed as to illuminate with a white light the rear registration plate and render it clearly legible from a distance of sixty feet (60') to the rear. Any tail lamp or tail lamps, together with any separate lamp for illuminating the rear registration plate, shall be so wired as to be lighted whenever the head lamps or auxiliary driving lamps are lighted. **Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.**

1 **31-24-10. Rear reflectors required.** -- Every new motor vehicle sold and
2 operated upon a highway, other than a truck tractor, shall carry on the rear, either as a
3 part of the tail lamps or separately, two (2) red reflectors, except that every motorcycle
4 and every motor-driven cycle shall carry at least one reflector, meeting the requirements
5 of § 31-24-11, and except that vehicles of the type mentioned in § 31-24-37 shall be
6 equipped with reflectors. **Violations of this section are subject to fines enumerated in**
7 **§31-41.1-4 of the general laws.**

8 **31-24-11. Specifications for reflectors.** -- Reflectors shall be mounted on the
9 vehicle at a height not less than twenty inches (20') nor more than sixty inches (60')
10 measured as set forth in § 31-24-3, and shall be of size, characteristics, and so mounted as
11 to be visible at night from all distances within three hundred feet and fifty feet (350')
12 from the vehicle when directly in front of lawful upper beams of head lamps, except for
13 on those vehicles for which reflector visibility from a greater distance is required by this
14 chapter. **Violations of this section are subject to fines enumerated in §31-41.1-4 of**
15 **the general laws.**

16 **31-24-12. Stop lamps required.** -- All motor vehicles shall be equipped with stop
17 lamps. It is unlawful for any person to sell in this state any new motor vehicle, including
18 any motorcycle or motor-driven cycle, or for any person to drive a vehicle on the
19 highways unless it is equipped with a stop lamp meeting the requirements of §§ 31-24-13
20 and 31-24-14. **Violations of this section are subject to fines enumerated in §31-41.1-4**
21 **of the general laws.**

22 **31-24-13. Stop and turn lamps authorized.** --Any motor vehicle may be
23 equipped with, and when required under this chapter shall be equipped with, the
24 following signal lamps or devices:

25 (1) A stop lamp on the rear which emits a red or yellow light, and which is
26 actuated by applying the service (foot) brake and which may but need not be incorporated
27 with a tail lamp;

28 (2) A lamp or lamps or mechanical signal device capable of clearly indicating the
29 intention to turn either to the right or to the left and which shall be visible both from the
30 front and rear.

1 **(3) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
2 **the general laws.**

3 **31-24-14. Specifications for stop or signal lamps.** -- A stop lamp, when lit, shall
4 be plainly visible from a distance of one hundred feet (100') to the rear, day or night. A
5 turn signal lamp, when lit, shall be visible from a distance of one hundred feet (100') both
6 to the front and rear, day or night. When a vehicle is equipped with a stop lamp or signal
7 lamps, the lamp or lamps shall at all times be maintained in good working condition. No
8 stop lamp or signal lamp shall project a glaring or dazzling light. **Violations of this**
9 **section are subject to fines enumerated in §31-41.1-4 of the general laws.**

10 **31-24-15. Mechanical signal devices self-illuminated.** -- All mechanical signal
11 devices shall be self-illuminated when in use at the times mentioned in § 31-24-1.
12 **Violations of this section are subject to fines enumerated in §31-41.1-4 of the general**
13 **laws.**

14 **31-24-16. Spot lamps.** -- Any motor vehicle may be equipped with not to exceed
15 two (2) spot lamps and every lighted spot lamp shall be aimed and used upon
16 approaching another vehicle so that no part of the high-intensity portion of the beam will
17 be directed to the left of the prolongation of the extreme left side of the vehicle nor more
18 than one hundred feet (100') ahead of the vehicle. **Violations of this section are subject**
19 **to fines enumerated in §31-41.1-4 of the general laws.**

20 **31-24-17. Road lamps and fog lamps.** -- Any motor vehicle may be equipped
21 with not more than two (2) road lamps or fog lamps which shall be rigidly affixed to the
22 motor vehicle below the level of the head lamps, and shall be so aimed and used that no
23 part of the high-intensity portion of the light beam shall rise more than eighteen inches
24 (18') above the ground at a distance of seventy-five feet (75') or more in front of the
25 vehicle or be directed left of the prolongation of the extreme left side of the vehicle. Fog
26 lamps and road lamps shall not be used in lieu of head lamps. **Violations of this section**
27 **are subject to fines enumerated in §31-41.1-4 of the general laws.**

28 **31-24-18. Side cowl and fender lamps.** -- Any motor vehicle may be equipped
29 with not more than two (2) side cowl or fender lamps which shall emit an amber or white
30 light without glare. **Violations of this section are subject to fines enumerated in §31-**
31 **41.1-4 of the general laws.**

1 **31-24-19. Running board courtesy lamps.** -- Any motor vehicle may be
2 equipped on each side of its running board with not more than one courtesy lamp which
3 shall emit a white or amber light without glare. **Violations of this section are subject to**
4 **finances enumerated in §31-41.1-4 of the general laws.**

5 **31-24-20. Back up lamps.** -- Any motor vehicle may be equipped with not more
6 than two (2) back up lamps either separately or in combination with other lamps, but no
7 back up lamp shall be lighted when the motor vehicle is in forward motion. **Violations**
8 **of this section are subject to fines enumerated in §31-41.1-4 of the general laws.**

9 **31-24-21. Lighting of farm tractors** -- Every farm tractor equipped with an
10 electric lighting system shall, at all times mentioned in § 31-24-1, display a red tail lamp
11 and either multiple beam or single beam head lamp equipment meeting respectively the
12 requirements of §§ 31-24-7 - 31-24-9, 31-24-22, and 31-24-24. **Violations of this**
13 **section are subject to fines enumerated in §31-41.1-4 of the general laws.**

14 **31-24-22. Multiple beam lamps required.** -- Except as provided in this chapter,
15 the head lamps, the auxiliary driving lamps, or combinations of these on motor vehicles,
16 other than a motorcycle or a motor-driven cycle, shall be arranged so that selection may
17 be made between distributions of light projected to different elevations, subject to the
18 following requirements and limitations:

19 (1) There shall be an uppermost distribution of light, or composite beam, aimed
20 and of an intensity to reveal persons and vehicles at a distance of at least three hundred
21 fifty feet (350') ahead for all conditions of loading.

22 (2) There shall be a lowermost distribution of light, or composite beam so aimed
23 and of sufficient intensity to reveal persons and vehicles at a distance of at least one
24 hundred feet (100') ahead under any condition of loading. None of the high-intensity
25 portion of the beam shall be directed to strike the eyes of an approaching driver.

26 (3) Other than a motorcycle or motor-driven cycle, every new motor vehicle
27 registered in this state, and which has multiple beam road lighting equipment, shall be
28 equipped with a beam indicator, which shall be lighted only whenever the uppermost
29 distribution of light from the head lamps is in use. The indicator shall be designed and
30 located so that when lighted it will be readily visible without glare to the driver of that
31 vehicle.

1 **(4) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
2 **the general laws.**

3 **31-24-23. Use of multiple beam lamps.** -- Whenever a motor vehicle is being
4 operated on a roadway or on its shoulder during the times specified in § 31-24-1, the
5 driver shall use a distribution of light, or composite beam, directed high enough and of
6 sufficient intensity to reveal persons and vehicles at a safe distance in advance, subject to
7 the following requirements and limitations:

8 (1) Whenever the driver of a vehicle approaches an oncoming vehicle within five
9 hundred feet (500'), the driver shall use a distribution of light, or composite beam, aimed
10 so that the glaring rays are not projected into the eyes of the oncoming driver. The
11 lowermost distribution of light, or composite beam, specified in subdivision (2) of § 31-
12 24-22, shall be deemed to avoid glare at all times, regardless of road contour and loading.

13 (2) Whenever the driver of a vehicle follows another vehicle within two hundred
14 feet (200') to the rear, except when engaged in the act of overtaking and passing, the
15 driver shall use a distribution of light permissible under this chapter other than the
16 uppermost distribution of light specified in subdivision (1) of § 31-24-22.

17 **(3) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
18 **the general laws.**

19 **31-24-24. Single beam lamps.** -- Motor vehicles manufactured and sold prior to
20 November 1, 1951, are permitted to employ head lamps arranged to provide a single
21 distribution of light in lieu of multiple beam road lighting equipment as described in this
22 chapter. These lamps providing a single distribution of light must comply with the
23 following requirements and limitations:

24 (1) The head lamps shall be aimed so that when the vehicle is not loaded none of
25 the high-intensity portion of the light shall, at a distance of twenty-five feet (25') ahead,
26 project higher than a level of five inches (5') below the level of the center of the lamp
27 from which it comes, and in no case higher than forty-two inches (42') above the level on
28 which the vehicle stands at a distance of seventy-five feet (75') ahead.

29 (2) The intensity shall be sufficient to reveal persons and vehicles at a distance of
30 at least two hundred feet (200').

1 **(3) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
2 **the general laws.**

3 **31-24-25. Specifications for head lamps on motor-driven cycles.** -- The head or
4 head lamps upon every motor-driven cycle may be of the single beam or multiple beam
5 type but in either event shall comply with the requirements and limitations as follows:

6 (1) Every head lamp or head lamps on a motor-driven cycle shall be of sufficient
7 intensity to reveal a person or a vehicle at a distance of not less than one hundred feet
8 (100') when the motor driven cycle is operated at any speed less than twenty-five miles
9 per hour (25 m.p.h.), and at a distance of not less than two hundred feet (200') when the
10 motor-driven cycle is operated at a speed of twenty-five (25) or more miles per hour, and
11 the motor-driven cycle shall be subject to the speed limitations in § 31-14-10.

12 (2) In the event the motor-driven cycle is equipped with multiple beam head lamp
13 or head lamps, the upper beam shall meet the minimum requirements set forth above and
14 shall not exceed the limitations set forth in subdivision (1) of § 31-24-22, and the
15 lowermost beam shall meet the requirements applicable to a lowermost distribution of
16 light as set forth in subdivision (2) of § 31-24-22.

17 (3) In the event the motor-driven cycle is equipped with a single beam lamp or
18 lamps, the lamp or lamps shall be aimed so that when the vehicle is loaded, none of the
19 high-intensity portion of light, at a distance of twenty-five feet (25') ahead, shall project
20 higher than the level of the center of the lamp from which it comes.

21 **(4) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
22 **the general laws.**

23 **31-24-26. Head lamps of slow vehicles.** -- Any slow moving motor vehicle may
24 be operated under the conditions specified in § 31-24-1 when equipped with two (2)
25 lighted lamps upon the front capable of revealing persons and objects seventy-five feet
26 (75') ahead. These lamps may be used in place of the lamps required in § 31-24-22 or 31-
27 24-24, so long as the vehicle at no time travels in excess of twenty miles per hour (20
28 mph). **Violations of this section are subject to fines enumerated in §31-41.1-4 of the**
29 **general laws.**

30 **31-24-27. Display of lighted lamps required.** -- At all times specified in § 31-
31 24-1, at least two (2) lighted lamps shall be displayed one on each side at the front of

1 every motor vehicle other than a motorcycle or motor-driven cycle. This section does not
2 apply when the vehicle is parked, and is subject to the regulations governing lights on
3 parked vehicles. **Violations of this section are subject to fines enumerated in §31-
4 41.1-4 of the general laws.**

5 **31-24-28. Maximum number of lamps lighted.** -- Whenever a motor vehicle
6 equipped with head lamps, as required by this chapter, is also equipped with any auxiliary
7 lamps, a spot lamp, or any other lamp on the front that projects a beam of an intensity
8 greater than three hundred (300) candle power, not more than a total of four of the lamps
9 on the front of a vehicle shall be lighted at any one time when the vehicle is on a
10 highway. **Violations of this section are subject to fines enumerated in §31-41.1-4 of
11 the general laws.**

12 **31-24-29. Maximum intensity of lights.** -- Any lighted lamp or illuminating
13 device upon a motor vehicle other than head lamps, spot lamps, auxiliary lamps, or
14 flashing front direction signals which projects a beam of light of an intensity greater than
15 three hundred (300) candle power, shall be directed so that no part of the beam will strike
16 the level of the roadway on which the vehicle stands at a distance of more than seventy-
17 five feet (75') from the vehicle. **Violations of this section are subject to fines
18 enumerated in §31-41.1-4 of the general laws.**

19 **31-24-30. Red lights in front prohibited.** -- No person shall drive or move any
20 vehicle or equipment upon any highway with any lamp or device on it displaying a red
21 light visible from directly in front of the center of the vehicle. This section does not apply
22 to any vehicle upon which a red light visible from the front is expressly authorized or
23 required by chapters 1 - 27 of this title. **Violations of this section are subject to fines
24 enumerated in §31-41.1-4 of the general laws.**

25 **31-24-31. Flashing lights - Forward viewing or rotary beam lights.** -- (a)
26 Flashing lights are prohibited, except on an authorized emergency vehicle, school bus,
27 snow removal equipment, any vehicle as a means for indicating a right or left turn, or as
28 required by § 31-24-33 for a vehicle stopped on an unlighted highway; provided,
29 however, that the requirements of § 31-24-33 shall be deemed to be satisfied if the
30 vehicle is equipped with lamps at the front mounted at the same level, displaying
31 simultaneously flashing white or amber lights, and at the rear mounted at the same level,

1 and displaying simultaneously flashing red lights, all of which lights shall be visible from
2 distance of not less than five hundred feet (500').

3 (b) Forward viewing or rotating beam lights may be installed on and shall be
4 restricted to the following categories of emergency vehicles; these lights shall be of a
5 color designated:

6 (1) Emergency response vehicles of any fire, rescue, or ambulance department;
7 emergency response vehicles of fire chiefs, assistant fire chiefs, deputy chiefs, and
8 captains; any privately owned vehicle of any authorized volunteer member of a fire,
9 rescue, or ambulance department; any privately owned vehicle of emergency
10 management agency directors and assistant directors, assistant medical examiners and/or
11 forensic pathologists of the office of state medical examiners; rescue vehicles; emergency
12 response vehicles of the department of environmental management and the division of
13 state fire marshal; school buses; and two (2) American Red Cross disaster vehicles. Red,
14 white, and/or alternating flashing white;

15 (2) Wrecker trucks, service station trucks, state and town safety and maintenance
16 vehicles; snowplows and tractors; light company trucks, telephone company trucks, water
17 company trucks, oil company trucks, and other utilities' trucks; vehicles of television,
18 radio and press photographers, rural mail carriers; all motor-propelled vehicles owned by
19 the Northern Rhode Island REACT (radio emergency associated citizens team); and all
20 motor-propelled vehicles owned by or under contract to the Rhode Island department of
21 administration when on official state business. Amber;

22 (3) Police units, state and local. Center rotating beam lights: blue or red. Outboard
23 mounted lights: Blue or red.

24 **(4) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
25 **the general laws.**

26 **31-24-32. Vehicles parked on lighted highways.** -- Whenever a vehicle is
27 lawfully parked upon a street or highway during the hours between one-half (1/2) hour
28 after sunset and one-half (1/2) hour before sunrise, and so long as there is sufficient light
29 to reveal any person or object within a distance of five hundred feet (500') upon that
30 street or highway, no lights need to be displayed upon the parked vehicle. **Violations of**
31 **this section are subject to fines enumerated in §31-41.1-4 of the general laws.**

1 **31-24-33. Vehicles stopped on unlighted highways.** -- (a) Whenever an
2 attended or unattended vehicle is parked or stopped upon a roadway or its shoulder
3 during the hours between one-half (1/2) hour after sunset and one-half (1/2) hour before
4 sunrise, and there is not sufficient light to reveal any person or object within a distance of
5 five hundred feet (500') upon the highway, that vehicle shall be equipped with one or
6 more lamps meeting the following requirements:

7 (1) At least one lamp shall display a white or amber light visible from a distance
8 of five hundred feet (500') to the front of the vehicle;

9 (2) The same lamp or at least one other lamp shall display a red light visible from
10 a distance of five hundred feet (500') to the rear of the vehicle;

11 (3) The location of the lamp or lamps shall always be such that at least one lamp
12 or combination of lamps meeting the requirements of this section is installed as near as
13 practicable to the side of the vehicle which is closest to passing traffic.

14 (b) Subsection (a) of this section does not apply to a motor-driven cycle.

15 **(c) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
16 **the general laws.**

17 **31-24-34. Dimming of head lamps on parked vehicles.** -- Any lighted head
18 lamps upon a parked vehicle shall be depressed or dimmed. **Violations of this section**
19 **are subject to fines enumerated in §31-41.1-4 of the general laws.**

20 **31-24-35. Lamps on animal-drawn, farm, and road vehicles.** -- All vehicles,
21 including animal-drawn vehicles and those referred to in § 31-23-3 but not specifically
22 required in preceding sections of this chapter to be equipped with lamps, shall at the
23 times specified in § 31-24-1 be equipped with at least one lighted lamp or lantern
24 exhibiting a white light visible from a distance of five hundred feet (500') to the front of
25 the vehicle and with a lamp or lantern exhibiting a red light visible from a distance of five
26 hundred feet (500') to the rear. **Violations of this section are subject to fines**
27 **enumerated in §31-41.1-4 of the general laws.**

28 **31-24-36. Vehicles requiring special lights and reflectors - Time of lighting.** --
29 The following sections of this chapter, including §§ 31-24-37 - 31-24-44, relating to
30 clearance and marker lamps, reflectors, and stop lights apply as stated in the above
31 sections to vehicles of the type enumerated in those sections, namely passenger buses,

1 trucks, truck tractors, and certain trailers, semi trailers, and pole trailers, respectively,
2 when operated upon any highway. These vehicles shall be equipped as required, and all
3 lamp equipment required shall be lighted at the times mentioned in § 31-24-1, except that
4 clearance and side marker lamps need not be lighted on the vehicle when operated within
5 any municipality where there is sufficient light to render clearly discernible persons and
6 vehicles on the highway at a distance of five hundred feet (500'). **Violations of this**
7 **section are subject to fines enumerated in §31-41.1-4 of the general laws.**

8 **31-24-37. Clearance and marker lamps and reflectors.** -- In addition to other
9 equipment required in chapters 1 - 27 of this title, the following vehicles shall be
10 equipped as follows under the conditions stated in § 31-24-36.

11 (1) On every bus or truck, whatever its size, there shall be the following:

12 (i) On the rear, two (2) reflectors, one at each side; and

13 (ii) On the rear, one stop light.

14 (2) On every bus or truck eighty inches (80') or more in overall width, in addition
15 to the requirements in subdivision (1) of this section:

16 (i) On the front, two (2) clearance lamps, one at each side;

17 (ii) On the rear, two (2) clearance lamps, one at each side;

18 (iii) On each side, two (2) side marker lamps, one at or near the front and one at or
19 near the rear;

20 (iv) On each side, two (2) reflectors, one at or near the front and one at or near the
21 rear.

22 (3) On every truck tractor:

23 (i) On the front, two (2) clearance lamps, one at each side;

24 (ii) On the rear, one stop light.

25 (4) On every trailer or semitrailer having a gross weight in excess of three
26 thousand pounds (3,000 lbs.):

27 (i) On the front, two (2) clearance lamps, one at each side;

28 (ii) On each side, two (2) side marker lamps, one at or near the front and one at or
29 near the rear;

30 (iii) On each side, two (2) reflectors, one at or near the front and one at or near the
31 rear;

1 (iv) On the rear, two (2) clearance lamps, one at each side;

2 (v) On the rear, two (2) reflectors, one at each side; and

3 (vi) On the rear, one stop light.

4 (5) On every pole trailer in excess of three thousand pounds (3,000 lbs.) gross
5 weight:

6 (i) On each side, one side marker lamp and one clearance lamp which may be in
7 combination, to show to the front, side, and rear.

8 (ii) On the rear of the pole trailer or load, two (2) reflectors, one at each side.

9 (6) On every trailer, semitrailer, or pole trailer weighing three thousand pounds
10 (3,000 lbs.) gross or less:

11 (i) On the rear, two (2) reflectors, one on each side.

12 (ii) If any trailer or semitrailer is so loaded or is of such dimensions as to obscure
13 the stop light on the towing vehicle, then the vehicle shall also be equipped with one stop
14 light.

15 **Violations of this section are subject to fines enumerated in §31-41.1-4 of the**
16 **general laws.**

17 **31-24-38. Color of clearance and marker lamps and reflectors.** -- (a) Front
18 clearance lamps and those marker lamps and reflectors mounted on the front or on the
19 side near the front of a vehicle shall display or reflect an amber color.

20 (b) Rear clearance lamps and those marker lamps and reflectors mounted on the
21 rear or on the sides near the rear of a vehicle shall display or reflect a red color.

22 (c) All lighting devices and reflectors mounted on the rear of any vehicle shall
23 display or reflect a red color, except the stop light or other signal device, which may be
24 red, amber, or yellow, and except that the light illuminating the license plate or the light
25 emitted by a back up lamp shall be white.

26 **(d) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
27 **the general laws.**

28 **31-24-39. Mounting of reflectors.** -- (a) When required by § 31-24-37, reflectors
29 shall be mounted on a vehicle at a height not less than twenty-four inches (24') and not
30 higher than sixty inches (60') above the ground. If the highest part of the permanent

1 structure of the vehicle is less than twenty-four inches (24'), the reflector at that point
2 shall be mounted as high as that part of the permanent structure will permit.

3 (b) The rear reflectors on a pole trailer may be mounted on each side of the
4 bolster or load.

5 (c) Any required red reflector on the rear of a vehicle may be incorporated with
6 the tail lamp, but the reflector shall meet all the other reflector requirements of this
7 chapter.

8 **(d) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
9 **the general laws.**

10 **31-24-40. Mounting of clearance and side marker lamps.** -- Clearance lamps
11 shall be mounted on the permanent structure of the vehicle in a way that will indicate the
12 furthest extents of its width, and will be as near the top of the vehicle as practicable.
13 Clearance lamps and side marker lamps may be mounted in combination, provided
14 illumination is given as required in this section with reference to both. **Violations of this**
15 **section are subject to fines enumerated in §31-41.1-4 of the general laws.**

16 **31-24-41. Visibility of reflectors.** -- Every reflector upon any vehicle referred to
17 in § 31-24-37 shall be of a size, possess such characteristics, and be maintained as to be
18 readily visible at night from distances between fifty feet (50') and five hundred feet (500')
19 from the vehicle when directly in front of lawful upper beams of head lamps. Reflectors
20 required to be mounted on the sides of the vehicle shall reflect the required color of light
21 to the sides, and those mounted on the rear shall reflect a red color to the rear. **Violations**
22 **of this section are subject to fines enumerated in §31-41.1-4 of the general laws.**

23 **31-24-42. Visibility of front and rear clearance lamps.** -- When they are
24 required, front and rear clearance lamps shall be capable of being seen and distinguished
25 under normal atmospheric conditions at a distance of five hundred feet (500') from the
26 front and rear of the vehicle. **Violations of this section are subject to fines enumerated**
27 **in §31-41.1-4 of the general laws.**

28 **31-24-43. Visibility of side marker lamps.** -- When they are required, side
29 marker lamps shall be capable of being seen and distinguished under normal atmospheric
30 conditions at a distance of five hundred feet (500') from the side of the vehicle on which

they are mounted. **Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.**

31-24-44. Obstructed lights not required. -- During the time that lights are required, whenever motor and other vehicles are operated in combination, those lights on the one vehicle (except tail lamps) that are obscured from view by the other vehicle need not be lighted. This does not affect the requirement that lighted clearance lamps be displayed on the front of the foremost vehicle required to have clearance lamps, nor that all lights required on the rear of the rearmost vehicle of any combination shall be lighted.

Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

31-24-45. Projecting loads. -- Whenever the load upon any vehicle extends to the rear or front four feet (4') or more beyond the bed or body of the vehicle, there shall be displayed at the extreme rear end or front of the load, at the time specified in § 31-24-1, a red light or lantern plainly visible from a distance of at least five hundred feet (500') to the sides, rear, and front. The red light or lantern required under this section shall be in addition to the red rear light required upon every vehicle. At any other time there shall be displayed at the extreme rear or front end of such load a red flag or cloth not less than twelve inches (12') square and so hung that the entire area is visible to the driver of a vehicle approaching from either direction. **Violations of this section are subject to**

fines enumerated in §31-41.1-4 of the general laws.

31-24-46. Lights on snow removal equipment. -- (a) The state traffic commission shall adopt standards and specifications applicable to head lamps, clearance lamps, identification, and other lamps to be used on snow removal equipment in lieu of the lamps otherwise required on motor vehicles. The standards and specifications may permit the use of flashing lights for purposes of identification of the snow removal equipment.

(b) It is unlawful to operate any snow removal equipment on any highway unless the design and use of its lamps comply with the standards and specifications adopted pursuant to this section.

(c) Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

1 **31-24-47. Regulation and certification of lighting devices.** -- (a) The
2 administrator is authorized to approve or disapprove lighting devices and to issue and
3 enforce regulations establishing standards and specifications for the approval of such
4 lighting devices, their installation, and aiming. The regulations shall correlate with, and
5 so far as possible conform to, the current standards and specifications of the society of
6 automotive engineers applicable to the equipment.

7 (b) The administrator is required to approve or disapprove any lighting device, of
8 a type on which approval is specifically required in this chapter, within a reasonable time
9 after the device has been submitted.

10 (c) The administrator is further authorized to set up the procedure to be followed
11 when any device is submitted for approval.

12 (d) The administrator upon approving a lamp or device shall issue to the
13 applicant a certificate of approval together with any instructions determined by him or
14 her.

15 (e) The administrator shall publish lists of all lamps and devices by name and
16 type which have been approved by him or her.

17 **(f) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
18 **the general laws.**

19 **31-24-48. Revocation of certification of lighting equipment.** -- (a) With reason
20 to believe that an approved device as being sold commercially does not comply with the
21 requirements of this chapter, and after giving thirty (30) days' notice to the holder of the
22 certificate of approval for the device, the administrator may conduct a hearing upon the
23 question of the device's compliance. After the hearing, the administrator shall determine
24 whether the device meets the requirements. If the device does not, the administrator shall
25 give notice to the holder of the certificate of approval.

26 (b) If, after ninety (90) days after this notice, the holder of the certificate of
27 approval has failed to satisfy the administrator that the device as it would then be sold
28 meets the requirements of this chapter, the administrator shall suspend or revoke the
29 approval. This revocation or suspension will stand until or unless the device is
30 resubmitted to and retested by an authorized testing agency and is found to meet this
31 chapter's requirements. The administrator may require that all the devices sold since the

1 post-hearing notification be replaced with devices that are in compliance. The
2 administrator may at the time of the retest purchase in the open market and submit to the
3 testing agency one or more sets of the approved devices. If the device then fails to
4 comply, the administrator may refuse to renew the certificate of approval of the device.

5 **(c) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
6 **the general laws.**

7 **31-24-49. Approval of lighting equipment required.** -- No person shall sell or
8 offer for sale, equipment for use on a motor vehicle, trailer, semi trailer, any head lamp,
9 auxiliary or fog lamp, rear lamp, signal lamp, or reflector as required by this chapter, or
10 parts of any of these which tend to change the original design or performance, unless of a
11 type which has been submitted to and approved by the administrator. **Violations of this**
12 **section are subject to fines enumerated in §31-41.1-4 of the general laws.**

13 **31-24-50. Trade-mark or name shown on equipment.** -- No person shall sell or
14 offer for sale for use on a motor vehicle, trailer, or semitrailer, any lamp or device
15 mentioned in § 31-24-49 which has been approved by the administrator unless the lamp
16 or device bears on it the trademark or name under which it is approved so as to be legible
17 when installed. **Violations of this section are subject to fines enumerated in §31-41.1-**
18 **4 of the general laws.**

19 **31-24-51. Mounting and adjustment of lamps** -- No person shall use upon any
20 motor vehicle, trailer, or semitrailer any lamps mentioned in § 31-24-49 unless the lamps
21 are mounted and adjusted as to focus and aim in accordance with instructions of the
22 administrator. **Violations of this section are subject to fines enumerated in §31-41.1-4**
23 **of the general laws.**

24 **31-24-52. Hazard switch for flashing lights.** -- (a) All new automobiles and
25 automobiles for hire sold in this state shall be provided with a hazard switch that
26 produces a flashing light that will flash as long as the switch is activated. The switch shall
27 be activated by the operator whenever any vehicle becomes disabled on any street or
28 highway. The switch may be attached to the directional signal apparatus.

29 (b) Nothing in this section shall affect regulations of the interstate commerce
30 commission.

1 **(c) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
2 **the general laws.**

3 **31-24-53. Safety lights required on food vending vehicles.** -- No person may be
4 engaged as an itinerant vendor of food items from a motor vehicle operated, or caused to
5 be operated, upon the public streets or highways unless the motor vehicle is equipped
6 with two (2) flashing lights: one yellow located on the front bumper, and one red on the
7 rear bumper. This provision does not apply to those vehicles having flashing warning
8 lights as standard equipment. When these vehicles stop for intended itinerary business,
9 they shall continue to flash their lights as a warning of their position to all approaching
10 vehicular traffic. **Violations of this section are subject to fines enumerated in §31-**
11 **41.1-4 of the general laws.**

12 **31-24-54. Strobe lights on school buses.** -- All new school buses, as defined in §
13 31-1-3, shall at all times be equipped with a rear-viewing, rear-mounted white flashing
14 strobe light, meeting the following requirements:

15 (1) A white flashing strobe light will be installed on the roof of a school bus at a
16 point not to exceed one-third (1/3) the body length forward from the rear of the roof edge.
17 The strobe light will have a single clear lens emitting light three hundred sixty degrees
18 (360°) around its vertical axis and may not extend above the roof more than maximum
19 legal height. The light will not exceed nine inches (9') in height or nine inches (9') in
20 diameter. A manual switch and a pilot light will be included to indicate when light is in
21 operation.

22 (2) The strobe light will be wired to activate with the amber alternately flashing
23 signal lamps, continuing through the full loading or unloading cycle, with an override
24 switch to allow activation of the strobe at any time for use in inclement weather.

25 **(3) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
26 **the general laws.**

27 SECTION 122. Sections 31-25-3, 31-25-4, 31-25-6, 31-25-7, 31-25-9, 31-25-11,
28 31-25-12, 31-25-12.1, 31-25-13, and 31-25-24 of the General Laws in Chapter 31-25
29 entitled "Size, Weight and Load Limits" are hereby amended to read as follows:

1 **31-25-3. Maximum width** -- The total outside width of any vehicle or its load
2 shall not exceed one hundred two inches (102'). **Violations of this section are subject**
3 **to fines enumerated in §31-41.1-4 of the general laws.**

4 **31-25-4. Maximum height.** -- No vehicle or its load shall exceed a height of one
5 hundred sixty-two inches (162'). **Violations of this section are subject to fines**
6 **enumerated in §31-41.1-4 of the general laws.**

7 **31-25-6. Maximum number and length of coupled vehicles.**-- (a) No
8 combination of vehicles coupled together shall consist of more than three (3) units, a
9 truck-tractor, semitrailer, and trailer, and combination of vehicles shall not be restricted
10 in overall length, except that when a truck-tractor, semitrailer, and a trailer are used in
11 combination, the trailer or semitrailer each shall not exceed twenty-eight and one-half
12 feet (28', 6'), excluding bumpers and accessories; provided, that combinations of vehicles
13 consisting of three (3) units shall be permitted to operate only on the interstate highway
14 system and on those highways, streets, and roads designated by the director of the Rhode
15 Island department of administration.

16 (b) Combinations of vehicles consisting of truck-tractor and semitrailer coupled
17 together shall not be restricted in overall length, and semitrailers shall not exceed fifty-
18 three feet (53') in length, excluding bumpers and accessories. Semitrailers exceeding
19 forty-eight and one-half feet (48', 6') shall be permitted to operate only on the interstate
20 highway system and on those highways, streets and roads designated by the director of
21 the Rhode Island department of administration. Exceptions to the requirements of this
22 section include the use of a pole trailer and combinations designed to transport motor
23 vehicles and/or automobiles as authorized in §§ 31-25-7 and 31-25-8 of this chapter. The
24 provision that no combination of vehicles coupled together shall consist of more than
25 three (3) units shall not apply to vehicles coupled together by a saddle mount device used
26 to transport motor vehicles in a drive-away service when no more than three (3) saddle
27 mounts are used, and equipment used in the combination is approved by part 393.71 of
28 the federal motor carrier safety regulations (49 CFR 393.71), and safety regulations of the
29 division of motor vehicles of the department of administration of the state of Rhode
30 Island. Any owner or operator found deviating from the approval permitted routes shall

1 be fined a minimum mandatory fine of five hundred dollars (\$500), but not more than one
2 thousand dollars (\$1,000).

3 (c) The distance from the kingpin of the trailer to the center of the rear axle may
4 not exceed forty-one feet (41').

5 (d) Fifty-three foot (53') trailers shall be equipped with a rear end protection
6 device of substantial construction consisting of a continuous lateral beam extending to
7 within four inches (4') of the lateral extremities of the trailer, and located not more than
8 twenty-two inches (22') from the surface of the road as measured with the vehicle empty
9 and on level surface.

10 (e) ~~[Deleted by P.L. 2001, ch. 86, § 86.]~~

11 **(e) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
12 **the general laws.**

13 **31-25-7. Front and rear extensions of load.** -- Subject to the provisions of this
14 chapter limiting the length of vehicles and loads, the load upon any vehicle operated
15 alone or the load upon the front vehicle of a combination of vehicles, shall not extend
16 more than three feet (3') beyond the foremost part of the vehicle, and the load upon any
17 vehicle operated alone or the load upon the rear vehicle of a combination of vehicles,
18 shall not extend more than six feet (6') beyond the rear of the bed or body of the vehicle.

19 **Violations of this section are subject to fines enumerated in §31-41.1-4 of the general**
20 **laws.**

21 **31-25-9. Prevention of leakage of load.** -- No vehicles shall be driven or moved
22 on any highway unless the vehicle is so constructed or loaded as to prevent any of its load
23 from dropping, sifting, leaking, or escaping from it. However, sand may be deliberately
24 dropped for the purpose of securing traction, or water or another substance may be
25 sprinkled on a roadway in cleaning or maintaining the roadway. **Violations of this**
26 **section are subject to fines enumerated in §31-41.1-4 of the general laws.**

27 **31-25-11. Connections between coupled vehicles.** -- When one vehicle is towing
28 another the draw-bar or other connection shall be of sufficient strength to pull the weight
29 towed, and shall not exceed fifteen feet (15') in its span from one vehicle to the other. The
30 connection may be longer when spanning two (2) vehicles transporting poles, pipe,

1 machinery, or other objects which cannot readily be dismantled. **Violations of this**
2 **section are subject to fines enumerated in §31-41.1-4 of the general laws.**

3 **31-25-12. Flags on tow chains.** -- When one vehicle is towing another and the
4 connection consists of a chain, rope, or cable, there shall be displayed upon the
5 connection a white flag or cloth not less than twelve inches (12") square. **Violations of**
6 **this section are subject to fines enumerated in §31-41.1-4 of the general laws.**

7 **31-25-12.1. Vehicles to be towed in right lane.** -- (a) A tow truck or other
8 vehicle towing another vehicle, except those vehicles designed to be in combination,
9 when upon any public highway divided into multiple lanes for travel in the same
10 direction, may travel only in the right lane of a two (2) lane highway, or in the two (2)
11 right lanes of a three (3) or more lane highway.

12 (b) Any person who violates the provisions of this section, upon conviction, shall
13 be fined: (1) ~~twenty five dollars (\$25.00)~~ fifty dollars (\$50.00) for the first offense; (2)
14 ~~fifty dollars (\$50.00)~~ seventy five dollars (\$75.00) for the second offense; and (3) one
15 hundred dollars (\$100) for the third and each subsequent offense.

16 **31-25-13. Axle load limit.** -- (a) The gross weight imposed on the highway by
17 the wheels of any one axle of a vehicle shall not exceed twenty-two thousand four
18 hundred pounds (22,400 lbs.).

19 (b) For the purposes of this chapter, an axle load shall be defined as the total load
20 transmitted to the road by all wheels whose centers are included between two (2) parallel
21 transverse vertical planes forty inches (40') apart, extending across the full width of the
22 vehicle.

23 (c) ~~[Deleted by P.L. 2001, ch. 86, § 86.]~~ **Violations of this section are subject**
24 **to fines enumerated in §31-41.1-4 of the general laws.**

25 **31-25-24. Carrying and inspection of excess load permits.** -- Every permit
26 issued under §§ 31-25-21 - 31-25-23 shall be carried in the vehicle to which it refers and
27 shall be open to inspection by any proper officer or authorized agent of the authority
28 granting the permit. No person shall violate any of the terms or conditions of the special
29 permit. **Violations of this section are subject to fines enumerated in §31-41.1-4 of the**
30 **general laws.**

1 SECTION 123. Section 31-27-2.3 of the General Laws in Chapter 31-27 entitled
2 “Motor Vehicle Offenses” is hereby amended to read as follows:

3 **31-27-2.3. Revocation of license upon refusal to submit to preliminary breath**

4 **test.** -- (a) When a law enforcement officer has reason to believe that a person is
5 driving or in actual physical control of any motor vehicle in this state while under the
6 influence of alcohol, the law enforcement officer may require the person to submit to a
7 preliminary breath analysis for the purpose of determining the person's blood alcohol
8 content. The breath analysis must be administered immediately upon the law enforcement
9 officer's formulation of a reasonable belief that the person is driving or in actual control
10 of a motor vehicle while under the influence of alcohol, or immediately upon the stop of
11 the person, whichever is later in time. Any chemical breath analysis required under this
12 section must be administered with a device and in a manner approved by the director of
13 the department of health for that purpose. The result of a preliminary chemical breath
14 analysis may be used for the purpose of guiding the officer in deciding whether an arrest
15 should be made. When a driver is arrested following a preliminary breath analysis, other
16 tests may be taken pursuant to § 31-27-2.1. The results of a preliminary breath test may
17 not be used as evidence in any administrative or court proceeding involving driving while
18 intoxicated or refusing to take a breathalyzer test, except as evidence of probable cause in
19 making the initial arrest.

20 (b) If a person refuses, upon a lawful request of a law enforcement officer, to
21 submit to a test under subsection (a) of this section, that person shall be guilty of an
22 infraction and shall be subject to the penalty provided in § ~~31-41-4~~ 31-41.1-4 . However,
23 it shall be a defense to a charge of refusing a validly requested preliminary breath
24 analysis that the medical condition of a person precluded the giving of that test.

25 SECTION 124. section 31-33-2 of the General laws in Chapter 31-33 entitled
26 “Safety Responsibility Violations” is hereby amended to read as follows:

27 **31-33-2. Failure to file accident report.** -- Failure to report an accident as
28 required in § 31-33-1 shall be punished by a fine ~~not in excess of twenty five dollars~~
29 ~~(\$25.00)~~ of fifty dollars (\$50.00), and the division shall suspend the license or the
30 nonresident's operating privilege of the person failing to make report until a report has

1 been filed, and for any further period not to exceed thirty (30) days that the division may
2 fixes.

3 SECTION 125. Sections 31-38-3 and 31-38-4 of the General Laws in Chapter 31-
4 38 entitled "Inspection of Motor Vehicles" are hereby amended to read as follows:

5 **31-38-3. Owners and drivers to comply with inspection laws.** -- (a) No seller
6 at retail or person driving a vehicle shall refuse to submit a vehicle to an inspection and
7 test when required by § 31-38-2.

8 (b) Every seller at retail, owner, or driver shall comply upon receipt with any
9 notice issued under § 31-38-2, shall approve that notice, and shall forward it within five
10 (5) days to the department of administration. In the event of noncompliance with this
11 subsection, the vehicle shall not be operated on any highways of this state.

12 (c) Any vehicle which is found to be too hazardous to permit it to be sold, or to
13 be driven from the place of inspection, owing to the unsafe condition of its brakes,
14 steering, or other equipment shall not be permitted to be operated under its own power. In
15 this case the registration shall be immediately suspended by the department of
16 administration, and the plates and certificates shall be returned immediately to the
17 department of administration.

18 (d) The seller at retail or owner of a vehicle may choose any place at which to
19 obtain repairs or adjustments that inspection indicates are necessary, but the vehicle shall
20 not be operated upon the highways of this state unless approval is obtained.

21 **(e) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
22 **the general laws.**

23 **31-38-4. Director of department of administration to require periodic**
24 **inspection.** -- (a) (1) At least once but not more than twice each year, or on the schedule
25 defined in chapter 47.1 of this title, the director of administration shall require that every
26 vehicle, trailer, semitrailer, and pole trailer registered in this state, or upon a retail seller's
27 premise, be inspected and that an official certificate of inspection and approval be
28 obtained for the vehicle. The director of administration further shall require that the first
29 inspection of any new motor vehicle occur within two (2) years from the date of purchase
30 or before the vehicle accumulates twenty-four thousand (24,000) miles whichever occurs
31 first.

1 (2) The inspections shall be made and the certificates obtained as to the
2 mechanism, brakes, and equipment of the vehicle as is designated by the director of
3 department of administration.

4 (3) The director of the department of administration is authorized to make any
5 rules and regulations necessary for the administration and enforcement of this chapter.
6 These may include, but are not limited to, upgraded standards of operation and upgraded
7 standards for mechanical testing equipment. The director may also designate a period or
8 periods of time during which sellers at retail and owners of any vehicles shall display
9 upon their vehicles certificates of inspection and approval, or shall produce those
10 certificates upon the demand of any proper officer or employee of the department of
11 administration designated by the director of the department of administration.

12 (b) The director of the department of administration may authorize the
13 acceptance in this state of a certificate of inspection and approval issued in another state
14 having an inspection law similar to this chapter, and may extend the time within which a
15 certificate is obtainable.

16 (c) The director of the department of administration, or the director's designee,
17 may suspend the registration of any vehicle determined to be in a condition that would
18 make it a menace to safety, which after notice and demand is not equipped as required by
19 this chapter, or for which a required certificate of inspection and approval has not been
20 obtained.

21 (d) The director of the department of administration shall provide by regulations
22 for a staggered inspection system.

23 **(e) Violations of this section are subject to fines enumerated in §31-41.1-4 of**
24 **the general laws.**

25 SECTION 126. sections 31-45-1 and 31-45-5 of the General Laws in Chapter 31-
26 45 entitled “Noise Limits for Motor Vehicles” are hereby amended to read as follows:

27 **31-45-1. Noise limits.** -- (a) 'dbA' means, as used in this section, decibels
28 measured with a calibrated sound level meter weighted to the 'A' scale.

29 (b) The noise limit is based on a distance of fifty feet (50') from the center of the
30 lane of travel within the speed limit. In speed zones of thirty-five miles per hour (35 mph)

or less, it shall not be more than eighty-six (86) dbA. In speed zones of more than thirty-five miles per hour (35 mph), it shall not be more than ninety (90) dbA.

(c) No person shall operate or allow to be operated a motor vehicle, at any time, or under any condition of grade, load, acceleration, or deceleration, in a manner that exceeds the noise limit.

(d) Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.

31-45-5. Motor vehicle radios, stereos and audio systems. -- It is unlawful for any motor vehicle with a radio, stereo, or audio system to produce sound which exceeds those limits specified in this chapter. Police cars, ambulances, and fire engines are not subject to this section. Local cities and towns may, at their discretion, issue temporary exemption by special permit upon a showing of good cause. **Violations of this section are subject to fines enumerated in §31-41.1-4 of the general laws.**

SECTION 127. Section 31-23-51 of the General Laws in Chapter 31-23 entitled “Equipment and Accessories Generally” is hereby amended to read as follows:

31-23-51. Earphones and headsets prohibited. -- A person shall not drive a bicycle or motor vehicle upon any highway while wearing earphones or a headset. Any person who violates this section shall be fined: (1) the sum of ~~thirty-five dollars (\$35.00)~~ fifty dollars (\$50.00) for the first offense; (2) seventy dollars (\$70.00) for the second offense; and (3) one hundred forty dollars (\$140) for the third and each subsequent offense.

SECTION 128. Section 37-15-7 of the General Laws in Chapter 37-15 entitled “Litter Control and Recycling” is hereby amended to read as follows:

37-15-7. Penalties. -- (a) Any person convicted of a first violation of this chapter shall, except where a penalty is specifically set forth, be subject to a fine of not less than ~~thirty dollars (\$30)~~ fifty dollars (\$50.00) nor more than five hundred dollars (\$500). In addition to or in lieu of the fine imposed hereunder, the person so convicted may be ordered to pick up litter for not less than two (2), nor more than twenty-five (25) hours.

(b) Any person convicted of a second or subsequent violation of this chapter shall, except where a penalty is specifically set forth, be subject to a fine of not less than three hundred dollars (\$300) nor more than five hundred dollars (\$500). In addition to or

1 in lieu of the fine imposed upon a second or subsequent violation of this chapter, the
2 person so convicted may be ordered to pick up litter for not less than four (4), nor more
3 than fifty (50) hours.

4 (c) Jurisdiction to punish violators of the provisions of this chapter is conferred
5 on the traffic tribunal.

6 (d) Any person convicted of a violation of this chapter shall, in addition to all
7 other penalties, be liable for the removal or cost of removal of all litter illegally disposed
8 of by that person. The ~~court of administrative adjudication~~ traffic tribunal may hold the
9 registration of any vehicle owned by the violator and used in the act of littering until the
10 aforementioned liability is satisfied.

11 (e) The funds received by a state law enforcement agency shall be deposited as
12 general revenues.

13 (f) Penalties of ~~thirty dollars (\$30.00)~~ fifty dollars (\$50.00) for violations of § 37-
14 15-7 may be disposed of without the necessity of personally appearing before the traffic
15 tribunal. Said penalty may be handled administratively by mailing a check or money
16 order, together with properly executed form provided to the appropriate address as set
17 forth in the summons issued by the enforcing agent.

18 SECTION 39-12-26 of the General Laws in Chapter 39-26 entitled
19 “Motor Carriers of Property” is hereby amended to read as follows:

20 **39-12-26. Registration and identification of vehicles.** -- Every interstate motor
21 carrier engaged in the transportation of property for compensation over the highways of
22 this state, subject to the provisions of this chapter, shall apply to the administrator for the
23 issuance of a vehicle identification device for the registration and identification of
24 vehicles. The application shall be accompanied by a filing fee in the amount of eight
25 dollars (\$8.00) for each identification device for which an application is made. All
26 intrastate carriers shall be assessed twenty dollars (\$20.00) for each identification device
27 for which an application is made. All revenues received shall be deposited as general
28 revenues. The identification device shall be furnished annually to every carrier whose
29 duty it shall be to apply therefor. It shall be unlawful for any motor vehicle to be engaged
30 in transporting property for compensation in either intrastate or interstate commerce
31 without the owner thereof having applied for and received the required identification

1 device, unless the vehicle is exempted from the provisions of this chapter. Each
2 identification device shall be accompanied by a registration card issued by the
3 administrator which shall be in the possession of the vehicle's driver, when the vehicle is
4 operating. Transfers of the identification device from one vehicle to another are hereby
5 prohibited unless authorized by the administrator. The administrator, in his or her
6 discretion, may refuse to reissue the identification device to the holder of any certificate,
7 permit, or permit of registration, pending any complaint or hearing upon the question of
8 revocation or suspension or in which such question is involved. The administrator shall
9 prescribe reasonable rules and regulations governing the registration and identification of
10 motor vehicles authorized for operation under this chapter. **Violations of this section are**
11 **subject to fines enumerated in §31-41.1-4 of the general laws.**

12 SECTION 130. Section 22-2-5 of the General Laws in Chapter 22-5 entitled
13 “Composition of House of Representatives” is hereby repealed in its entirety.

14 ~~**22-2-5. Construction of chapter.** — This chapter shall be liberally construed to~~
15 ~~effectuate the purposes thereof and to apportion the state into representative districts in~~
16 ~~compliance with the requirements of the United States Constitution. It is intended that the~~
17 ~~representative districts described herein completely encompass all the area within the state and~~
18 ~~contain all the citizens resident in the state. It is further intended that the apportionment and~~
19 ~~districting provided for in this chapter result in the creation of districts containing substantially~~
20 ~~equal population. It is also intended that no representative district shall include any of the area~~
21 ~~included within the description of any other representative district. If the districts described in this~~
22 ~~chapter do not carry out the purposes thereof because of patent unintentional omissions,~~
23 ~~duplications, overlapping area, erroneous nomenclature, faulty description of boundary lines,~~
24 ~~street closings, changes in names of streets or of public places, alteration of the courses of rivers~~
25 ~~or streams, the filling in of lands under water or changes in shore lines due to accretion, the~~
26 ~~secretary of state is hereby authorized and empowered to correct such omissions, overlaps,~~
27 ~~erroneous nomenclature, or other defects in the description of districts so as to accomplish the~~
28 ~~purposes and objectives of this chapter. In making such corrections, the secretary of state shall be~~
29 ~~guided by the following standards:~~

30 ~~(a) gaps in the description of any district shall be completed in a manner which results in~~
31 ~~a total description of adjacent districts.~~

32 ~~(b) areas included within the descriptions of more than one district shall be allocated in~~
33 ~~the district having the lowest population.~~

1 ~~—(e) areas not included within the descriptions of any district shall be allocated to the~~
2 ~~adjacent district having the lowest population.~~

3 **SECTION 131. Section 22-4-3 of the general laws as enacted in P.L. 1971, Chapter 3,**
4 **Section 1 is hereby repealed in its entirety:**

5 **~~22-4-3. Exemption from attendance at court.~~** — Every member of the general
6 ~~assembly, shall, during the session of the general assembly, be exempt from attendance at the trial~~
7 ~~of any action, civil or criminal, in any of the courts of this state, either as attorneys or as witnesses~~
8 ~~or parties; and all process served contrary hereto shall be void.~~

9 SECTION 132. Section 27-20-21 of the General Laws in Chapter 27-20 entitled
10 “Nonprofit Medical Service Corporations” is hereby amended to read as follows:

11 **27-20-21. Nonprofit medical service corporation assessment.** -- (a) Notwithstanding
12 any other provisions of law, each domestic nonprofit medical service corporation shall be charged
13 an assessment to partially support the activities of the division of insurance in the department of
14 business regulations.

15 ~~(b) The assessment referred to in subsection (a) shall be calculated in the same manner as~~
16 ~~set forth in § 27-1-41 [Repealed.].~~

17 ~~(e) (b)~~ The minimum assessment charged shall be the greater of the sum determined by
18 ~~subsection (b) or~~ one thousand dollars (\$1,000).

19 SECTION 133. Section 27-20.1-10 of the General Laws in Chapter 27-20.1 entitled
20 “Nonprofit Dental Service Corporations” is hereby amended to read as follows:

21 **27-20.1-10. Nonprofit dental service corporation assessment.** -- (a)
22 Notwithstanding any other provisions of law, each domestic nonprofit dental service
23 corporation shall be charged an assessment to partially support the activities of the
24 division of insurance in the department of business regulation.

25 ~~(b) The assessment referred to in subsection (a) of this section shall be calculated in the~~
26 ~~same manner as set forth in § 27-1-41 [Repealed.].~~

27 ~~(e) (b)~~ The minimum assessment charged shall be the greater of the sum determined by
28 ~~subsection (b) or~~ one thousand dollars (\$1,000).

29 SECTION 134. Section 27-20.2-10 of the General Laws in Chapter 27-20.2 entitled
30 “Nonprofit Optometric Service Corporations” is hereby amended to read as follows:

31 **27-20.2-10. Nonprofit optometric service corporation assessment.** -- (a)
32 Notwithstanding any other provisions of law, each domestic nonprofit optometric service

1 corporation shall be charged an assessment to partially support the activities of the
2 division of insurance in the department of business regulation.

3 ~~(b) The assessment referred to in subsection (a) of this section shall be calculated in the~~
4 ~~same manner as set forth in § 27-1-41 [Repealed].~~

5 ~~(e) (b) The minimum assessment charged shall be the greater of the sum determined by~~
6 ~~subsection (b) or one thousand dollars (\$1,000).~~

7 SECTION 135. Section 27-20.3-10 of the General Laws in Chapter 27-20.3 entitled
8 “Nonprofit Legal Service Corporations” is hereby amended to read as follows:

9 **27-20.3-10. Nonprofit legal service corporation assessment.** -- (a)

10 Notwithstanding any other provisions of law, each domestic nonprofit legal service
11 corporation shall be charged an assessment to partially support the activities of the
12 division of insurance in the department of business regulation.

13 ~~(b) The assessment referred to in subsection (a) of this section shall be calculated in the~~
14 ~~same manner as set forth in § 27-1-41 [Repealed].~~

15 ~~(e) (b) The minimum assessment charged shall be the greater of the sum determined by~~
16 ~~subsection (b) or one thousand dollars (\$1,000).~~

17 SECTION 136. This act shall take effect upon its passage; provided, however, that the
18 provisions in Sections 20 and 21 shall first be effective in connection with elections to be held on
19 or subsequent to the first day of September, 2002, and for the purpose of greater clarity, the first
20 election under the provisions of this act for congress, senator and representative from each of the
21 senatorial, congressional or representative districts hereby created, shall be held on the Tuesday
22 next after the first Monday in November, 2002, and the first primary election under the provisions
23 of this act for nomination of candidates for congress, senator and for representative from each of
24 said representative districts shall be held on the second Tuesday after the first Monday in
25 September, 2002. Any primary or special election held prior to the first day of September, 2002,
26 shall be conducted under the laws as they existed prior to the passage of this act.

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LC01782/SUB A
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
AN ACT
RELATING TO STATUTES AND STATUTORY CONSTRUCTION

- 1 This act would make a variety of technical changes to various general laws, as
2 recommended by the Office of Law Revision.
3 This act would take effect upon passage.

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LC01782/SUB A

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