

2012 -- H 7776

=====
LC01700
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

—————
A N A C T

RELATING TO INSURANCE

Introduced By: Representatives Tanzi, Kennedy, and Nunes

Date Introduced: February 16, 2012

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-16-2.6 of the General Laws in Chapter 27-16 entitled
2 "Unauthorized Insurance Business" is hereby amended to read as follows:
3 **27-16-2.6. Hospitals affiliated with accredited medical schools -- Indemnification of**
4 **personnel.** -- Nothing in sections 27-16-1.2 -- 27-16-2.2 shall be construed to limit or prevent
5 hospitals affiliated with an accredited medical school from agreeing to indemnify hospital
6 employees, and physicians, including physicians' incorporated or unincorporated practices and
7 employees, and medical, nursing, or allied health students affiliated with the hospital, collectively
8 "covered persons", for the legal liability of those covered persons for loss, damage, or expense
9 incident to claims of bodily injury or death arising out of medical malpractice or professional
10 error or mistake, "malpractice coverage", whether the hospital charges the covered persons for
11 malpractice coverage or not. The hospitals making the agreements shall be required to establish
12 and maintain a reserve fund with which the malpractice coverage will be provided, which may be
13 either part of or separate from a self-insurance fund maintained by or on behalf of the hospital.
14 Any self-insurance fund shall annually provide a certified financial statement with actuarial
15 projections as to the soundness of its reserving to the director of the department of health and the
16 director of the department of business regulation. The malpractice coverage provided by the
17 agreements shall be in amounts which meet the minimum insurance coverage limits required by
18 ~~any regulation promulgated by the director of business regulation pursuant to~~ section 42-14.1-2 or
19 [any regulation promulgated thereunder.](#)

1 SECTION 2. Section 42-14.1-2 of the General Laws in Chapter 42-14.1 entitled
2 "Department of Business Regulation - Medical Malpractice Insurance" is hereby amended to read
3 as follows:

4 **42-14.1-2. Malpractice insurance.** ~~-- (a) The director of business regulation shall~~
5 ~~promulgate rules and regulations requiring all~~ All licensed physicians, physician assistants, nurse
6 practitioners, dentists, and podiatrists involved in the clinical practice of medicine to include
7 clinical radiology, pathology and or laboratory medicine shall maintain ~~medical and dental~~
8 ~~professional and all licensed health care providers to be covered by~~ professional liability
9 insurance insuring the practitioner for claims of bodily injury or death arising out of malpractice,
10 professional error, or mistake. The director of the department of ~~business regulation~~ health is
11 hereby authorized to promulgate regulations establishing the minimum insurance coverage limits
12 which shall be required; provided, however, that such limits shall not be less than ~~one hundred~~
13 ~~thousand dollars (\$100,000)~~ one million dollars (\$1,000,000) for claims arising out of the same
14 professional service and ~~three hundred thousand dollars (\$300,000)~~ three million dollars
15 (\$3,000,000) in the aggregate. The director of the department of ~~business regulation~~ health is
16 further authorized to establish rules and regulations allowing persons or entities with sufficient
17 financial resources to be self-insurers. Indemnification by a hospital under section 27-16-2.6 shall
18 satisfy the requirements of this section

19 ~~(b) Every licensed health care provider in direct patient care within a licensed hospital~~
20 ~~shall obtain liability insurance in a minimum amount determined by the board of trustees of that~~
21 ~~hospital.~~

22 SECTION 3. This act shall take effect upon passage.

=====
LC01700
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO INSURANCE

1 This act would transfer authority to require that health care professionals and nursing
2 homes have professional liability insurance from the department of business regulation to the
3 department of health. This act would not affect the department of business regulation's
4 jurisdiction over medical malpractice insurers.

5 This act would take effect upon passage.

=====
LC01700
=====