

2023 -- S 0730

LC001576

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO INSURANCE -- CHILD SUPPORT INTERCEPT ACT

Introduced By: Senators F. Lombardi, Euer, McKenney, and Burke

Date Introduced: March 22, 2023

Referred To: Senate Judiciary

(Dept. of Human Services)

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-57-1 of the General Laws in Chapter 27-57 entitled "Child  
2 Support Intercept Act" is hereby amended to read as follows:

3 **27-57-1. Interception of insurance payments.**

4 (a) Every domestic insurer or insurance company authorized to issue policies of life  
5 insurance or liability insurance pursuant to this title, and also any workers' compensation insurer,  
6 shall, within thirty (30) days prior to the making of any payment equal to or in excess of five  
7 hundred dollars (\$500) to any claimant or beneficiary who is a resident of the state of Rhode Island  
8 or to any claimant who has an accident or loss that occurred in the state of Rhode Island, for third  
9 party for personal injury or workers' compensation benefits under a contract of insurance, or who  
10 is to receive any economic benefit from a life insurance policy, including, but not limited to, as a  
11 co-payee, or whether by means of cash surrender under any type policy, or as a loan against the  
12 cash value or surrender value of any insurance policy, review information provided by the  
13 department of human service, office of child support services, child support enforcement pursuant  
14 to § 27-57-4 indicating whether the claimant owes past-due child support.

15 (b) If the insurer determines from the information provided by the department pursuant to  
16 § 27-57-4 that the claimant or payee does not owe past-due support, the insurer may make the  
17 payment to the claimant in accordance with the contract of the insurance.

18 (c) If the insurer determines from the information provided by the department pursuant to  
19 § 27-57-4 that the claimant or payee owes past-due child support, the insurer shall, except to the

1 extent payments are subject to liens, written notices, or interests described in § 27-57-3, withhold  
2 from payment the amount of past-due support and pay that amount to the family court which shall  
3 credit the person's child support obligation account for the amount so paid, and the insurer shall  
4 pay the balance to the claimant or other person entitled to it. The insurer or insurance company  
5 shall provide written notice to the claimant and his or her attorney, if any, and notice by e-mail or  
6 other electronic means, to the department of the payment to the family court. The payment shall be  
7 deposited in the registry of the family court for a period of forty-five (45) days, or if an application  
8 for review has been filed pursuant to subsection (d), until further order of the court. The notice shall  
9 reflect the date, name, social security number, case number, and amount of the payment. Any  
10 insurer or insurance company, its directors, agents, and employees and central reporting  
11 organizations and their respective employees, authorized by an insurer to act on its behalf, who  
12 release information in accordance with the provisions of this chapter, or who withhold amounts  
13 from payment based upon the latest information supplied by the department pursuant to § 27-57-  
14 4 and makes disbursements in accordance with § 27-57-3, shall be in compliance and shall be  
15 immune from any liability to the claimant, payee lienholder, payee who provided written notice, or  
16 security interest holder for taking that action.

17 (d) Any claimant aggrieved by any action taken under this section may within thirty (30)  
18 days of the making of the notice to the claimant in subsection (c) of this section, seek judicial review  
19 in the family court, which may in its discretion, issue a temporary order prohibiting the  
20 disbursement of funds under this section, pending final adjudication.

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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RELATING TO INSURANCE -- CHILD SUPPORT INTERCEPT ACT

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- 1           This act would expand child support interception of insurance payments to include life
- 2 insurance proceeds payable to non-custodial parents who are the beneficiaries of the policy.
- 3           This act would take effect upon passage.

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