

2011 -- S 0305

LC01087

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO INSURANCE -- NON-PROFIT COMMUNITY RESIDENCE INSURANCE
FUND

Introduced By: Senator Roger Picard

Date Introduced: February 16, 2011

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 27 of the General Laws entitled "INSURANCE" is hereby amended
2 by adding thereto the following chapter:

3 CHAPTER 75

4 NON-PROFIT COMMUNITY RESIDENCE INSURANCE FUND

5 **27-75-1. Purpose.** – To authorize operators of non-profit community residences, as
6 defined in chapter 24.5 of title 40.1 of the general laws, acting as a group, to self-insure health
7 care costs for employees, retirees and other beneficiaries and allow a third-party administrator to
8 administer said program.

9 **27-75-2. Establishment of fund.** – Entities which operate non-profit community
10 residences are hereby authorized and empowered to create and establish a fund for the purpose of
11 self-insuring health care provided to their employees, and their dependents and their retirees and
12 their dependents.

13 **27-75-3. Amount of fund.** – Self-insurance funds may be established to insure the health
14 costs of the employees, their covered dependents, and the retirees and their covered dependents,
15 not otherwise insured, to the extent determined by the operators of non-profit community
16 residences, subject to approval by the health insurance commissioner.

17 **27-75-4. Payment to and from fund.** – The self-insurance funds shall be used by the
18 operators of non-profit community residences as nonlapsing, revolving funds for carrying out the

1 provisions of this chapter.

2 **27-75-5. Investment of fund.** – Moneys in the funds currently not needed to meet
3 expenses and obligations of self-insurance shall be deposited in a depository bank or may be
4 invested in savings accounts or certificates of commercial or savings banks or trust companies, or
5 in obligations of the United States or its agencies, or in any other short term investments, as
6 would be made by prudent men or women of discretion and intelligence. Investment earnings of
7 the funds are deemed receipts and become assets of the funds subject to the nonlapsing, revolving
8 provisions of section 24-75-4.

9 **27-75-6. Expenses of operation.** – The operators of non-profit community residences
10 may, in their discretion, expend out of the funds moneys that may be necessary for any expenses
11 of self-insurance including administrative, legal, or other service expenses.

12 **27-75-7. Severability.** – The provisions of this chapter are declared to be severable, and
13 if any of its provisions are held unconstitutional by any court of competent jurisdiction, the
14 decision of the court shall not affect or impair any of the remaining provisions.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO INSURANCE -- NON-PROFIT COMMUNITY RESIDENCE INSURANCE
FUND

- 1 This act would authorize operators of non-profit community residences, acting as a
- 2 group, to self-insure health care costs for employees, retirees and other beneficiaries and allow a
- 3 third-party administrator to administer said program.
- 4 This act would take effect upon passage.

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