

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO INSURANCE -- THIRD PARTY HEALTH INSURANCE  
ADMINISTRATORS

Introduced By: Representatives Kennedy, and Diaz

Date Introduced: February 15, 2023

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-20.7-7 of the General Laws in Chapter 27-20.7 entitled "Third  
2 Party Health Insurance Administrators" is hereby amended to read as follows:

3 **27-20.7-7. Responsibilities of the insurer.**

4 (a) If an insurer utilizes the services of an administrator, the insurer shall be responsible for  
5 determining the benefits, premium rates, underwriting criteria and claims payment procedures  
6 applicable to the coverage and for securing reinsurance, if any. The rules pertaining to these matters  
7 must be provided, in writing, by the insurer to the administrator. The responsibilities of the  
8 administrator as to any of these matters shall be set forth in the written agreement between the  
9 administrator and the insurer.

10 (b) It is the sole responsibility of the insurer to provide for competent administration of its  
11 programs.

12 (c) In cases where an administrator administers benefits for more than one hundred (100)  
13 certificate holders on behalf of an insurer, the insurer shall, at least semi-annually, conduct a review  
14 of the operations of the administrator. ~~At least one of these reviews shall be an on-site audit of the~~  
15 ~~operations of the administrator.~~

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

EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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- 1           This act would repeal the requirement that at least one of the semiannual reviews performed
- 2   by the insurer shall be an on-site audit of the operations of the administrator of benefits.
- 3           This act would take effect upon passage.

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