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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

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A N A C T

RELATING TO INSURANCE -- LIFE INSURANCE POLICIES AND RESERVES

Introduced By: Senator Roger Picard

Date Introduced: April 16, 2024

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-4-1.1 of the General Laws in Chapter 27-4 entitled "Life Insurance
2 Policies and Reserves" is hereby amended to read as follows:

3 ~~27-4-1.1. Denial of applicant based on naloxone prescription.~~ **Denial of applicant**
4 **based on an opioid antagonist prescription.**

5 (a) No life insurance company organized or doing business within this state shall:

6 (1) Deny the application of an individual seeking coverage for any life insurance policy
7 pursuant to this chapter solely on the basis that the applicant has a prescription to carry or possess
8 ~~the drug naloxone~~ an opioid antagonist as defined in § 16-21-35(a);

9 (2) Otherwise discriminate in the offering, issuance, cancellation, amount of coverage,
10 price, or any other condition of a life insurance policy based solely and without any additional
11 actuarial justification upon the fact that an individual has been issued a prescription for, ~~naloxone~~
12 ~~or has purchased naloxone~~ or has purchased an opioid antagonist as defined in § 16-21-35(a).

13 (b) Any denial of insurance coverage in violation of the provisions of this section:

14 (i) Shall be void;

15 (ii) The insurer shall reopen the application and underwriting process for consideration of
16 coverage and the life insurance company shall be deemed to have provided coverage to the eligible
17 person retroactive to the date of the initial application.

18 SECTION 2. Section 27-4.8-1 of the General Laws in Chapter 27-4.8 entitled "Group Life
19 Insurance" is hereby amended to read as follows:

1 **27-4.8-1. Group life insurance definitions.**

2 Except as provided in § 27-4.8-2, no policy of group life insurance shall be delivered in
3 this state unless it conforms to one of the following descriptions:

4 (1) A policy issued to an employer, or to the trustees of a fund established by an employer,
5 which employer or trustees shall be deemed the policyholder, to insure employees of the employer
6 for the benefit of persons other than the employer, subject to the following requirements:

7 (i) The employees eligible for insurance under the policy shall be all of the employees of
8 the employer, or all of any class or classes thereof. The policy may provide that the term
9 “employees” shall include the employees of one or more subsidiary corporations, and the
10 employees, individual proprietors, and partners of one or more affiliated corporations,
11 proprietorships, or partnerships if the business of the employer and of the affiliated corporations,
12 proprietorships, or partnerships is under common control. The policy may provide that the term
13 “employees” shall include the individual proprietor or partners if the employer is an individual
14 proprietorship or partnership. The policy may provide that the term “employees” may include
15 retired employees, former employees, and directors of a corporate employer. A policy issued to
16 insure the employees of a public body may provide that the term “employees” shall include elected
17 or appointed officials.

18 (ii) The premium for the policy shall be paid either from the employer’s funds or from
19 funds contributed by the insured employees, or from both. Except as provided in subsection (1)(iii),
20 a policy on which no part of the premium is to be derived from funds contributed by the insured
21 employees shall insure all eligible employees, except those who reject the coverage in writing.

22 (iii) An insurer may exclude or limit the coverage on any person as to whom evidence of
23 individual insurability is not satisfactory to the insurer; provided, however, that any exclusion or
24 limitation shall not be based solely on the fact that the person has a prescription to carry or possess
25 ~~the drug naloxone~~ [an opioid antagonist as defined in § 16-21-35\(a\)](#).

26 (2) A policy issued to a creditor or its parent holding company or to a trustee or trustees or
27 agent designated by two (2) or more creditors, which creditor, holding company, affiliate, trustee,
28 trustees, or agent shall be deemed the policyholder, to insure debtors of the creditor or creditors
29 subject to the following requirements:

30 (i) The debtors eligible for insurance under the policy shall be all of the debtors of the
31 creditor or creditors, or all of any class or classes thereof. The policy may provide that the term
32 “debtors” shall include:

33 (A) Borrowers of money or purchasers or lessees of goods, services, or property for which
34 payment is arranged through a credit transaction;

1 (B) The debtors of one or more subsidiary corporations; and

2 (C) The debtors of one or more affiliated corporations, proprietorships, or partnerships if
3 the business of the policyholder and of the affiliated corporations, proprietorships, or partnerships
4 is under common control.

5 (ii) The premium for the policy shall be paid either from the creditor's funds, or from
6 charges collected from the insured debtors, or from both. Except as provided in subsection (2)(iii),
7 a policy on which no part of the premium is to be derived from the funds contributed by insured
8 debtors specifically for their insurance shall insure all eligible debtors.

9 (iii) An insurer may exclude any debtors as to whom evidence of individual insurability is
10 not satisfactory to the insurer; provided, however, that any exclusion shall not be based solely on
11 the fact that the person has a prescription to carry or possess ~~the drug naloxone~~ [an opioid antagonist](#)
12 [as defined in § 16-21-35\(a\)](#).

13 (iv) The amount of the insurance on the life of any debtor shall at no time exceed the greater
14 of the scheduled or actual amount of unpaid indebtedness to the creditor, except that insurance
15 written in connection with open-end credit having a credit limit exceeding ten thousand dollars
16 (\$10,000) may be in an amount not exceeding the credit limit.

17 (v) The insurance may be payable to the creditor or any successor to the right, title, and
18 interest of the creditor. The payment shall reduce or extinguish the unpaid indebtedness of the
19 debtor to the extent of the payment and any excess of the insurance shall be payable to the estate
20 of the insured.

21 (vi) Notwithstanding the provisions of the above subsections, insurance on agricultural
22 credit transaction commitments may be written up to the amount of the loan commitment on a non-
23 decreasing or level term plan. Insurance on educational credit transaction commitments may be
24 written up to the amount of the loan commitment less the amount of any repayments made on the
25 loan.

26 (3) A policy issued to a labor union, or similar employee organization, which shall be
27 deemed to be the policyholder, to insure members of the union or organization for the benefit of
28 persons other than the union or organization or any of its officials, representatives, or agents,
29 subject to the following requirements:

30 (i) The members eligible for insurance under the policy shall be all of the members of the
31 union or organization, or all of any class or classes thereof.

32 (ii) The premium for the policy shall be paid either from funds of the union or organization,
33 or from funds contributed by the insured members specifically for their insurance, or from both.
34 Except as provided in subsection (3)(iii), a policy on which no part of the premium is to be derived

1 from funds contributed by the insured members specifically for their insurance shall insure all
2 eligible members, except those who reject the coverage in writing.

3 (iii) An insurer may exclude or limit the coverage on any persons as to whom evidence of
4 individual insurability is not satisfactory to the insurer; provided, however, that any exclusion or
5 limitation shall not be based solely on the fact that the person has a prescription to carry or possess
6 ~~the drug naloxone~~ [an opioid antagonist as defined in § 16-21-35\(a\)](#).

7 (4) A policy issued to a trust or to the trustees of a fund established or adopted by two (2)
8 or more employers, or by one or more labor unions or similar employee organizations, or by one
9 or more employers and one or more labor unions or similar employee organizations, which trust or
10 trustees shall be deemed the policyholder, to insure employees of the employers or members of the
11 unions or organizations for the benefit of person other than the employers or the unions or
12 organizations, subject to the following requirements:

13 (i) The persons eligible for insurance shall be all of the employees of the employers or all
14 of the members of the unions or organizations, or all of any class or classes thereof. The policy may
15 provide that the term “employees” shall include the employees of one or more subsidiary
16 corporations, and the employees, individual proprietors, and partners of one or more affiliated
17 corporations, proprietorships, or partnerships if the business of the employer and of the affiliated
18 corporations, proprietorships, or partnerships is under common control. The policy may provide
19 that the term “employees” shall include the individual proprietor or partners if the employer is an
20 individual proprietorship or partnership. The policy may provide that the term “employees” shall
21 include retired employees, former employees, and directors of a corporate employer. The policy
22 may provide that the term “employees” shall include the trustees or their employees, or both, if
23 their duties are principally connected with the trusteeship.

24 (ii) The premium for the policy shall be paid from funds contributed by the employer or
25 employers of the insured persons, or by the union or unions or similar employee organizations, or
26 by both, or from funds contributed by the insured persons or from both the insured persons and the
27 employers or unions or similar employee organizations. Except as provided in subsection (4)(iii),
28 a policy on which no part of the premium is to be derived from funds contributed by the insured
29 persons specifically for their insurance shall insure all eligible persons, except those who reject the
30 coverage in writing.

31 (iii) An insurer may exclude or limit the coverage on any person as to whom evidence of
32 individual insurability is not satisfactory to the insurer; provided, however, that any exclusion or
33 limitation shall not be based solely on the fact that the person has a prescription to carry or possess
34 ~~the drug naloxone~~ [an opioid antagonist as defined in § 16-21-35\(a\)](#).

1 (5) A policy issued to an association or to a trust or to the trustees of a fund established,
2 created, or maintained for the benefit of members of one or more associations. The association or
3 associations shall have at the outset a minimum of one hundred (100) persons; shall have been
4 organized and maintained in good faith for purposes other than obtaining insurance; shall have been
5 in active existence for at least two (2) years; and shall have a constitution and bylaws that provide
6 that:

7 (i) The association or associations hold regular meetings not less than annually to further
8 purposes of the members;

9 (ii) Except for credit unions, the association or associations, collect dues or solicit
10 contributions from members; and

11 (iii) The members have voting privileges and representation on the governing board and
12 committees. The policy shall be subject to the following requirements:

13 (A) The policy may insure members of the association or associations, employees thereof,
14 or employees of members, or one or more of the preceding or all of any class or classes thereof for
15 the benefit of persons other than the employee's employer.

16 (B) The premium for the policy shall be paid from funds contributed by the association or
17 associations, or by employer members, or by both, or from funds contributed by the covered
18 persons or from both the covered persons and the association, associations, or employer members.

19 (C) Except as provided in subsection (5)(iii)(D), a policy on which no part of the premium
20 is to be derived from funds contributed by the covered persons specifically for the insurance shall
21 insure all eligible persons, except those who reject the coverage in writing.

22 (D) An insurer may exclude or limit the coverage on any person as to whom evidence of
23 individual insurability is not satisfactory to the insurer; provided, however, that any exclusion or
24 limitation shall not be based solely on the fact that the person has a prescription to carry or possess
25 ~~the drug naloxone~~ [an opioid antagonist as defined in § 16-21-35\(a\)](#).

26 (6) A policy issued to a credit union or to a trustee or trustees or agent designated by two
27 (2) or more credit unions, which credit union, trustee, trustees, or agent shall be deemed
28 policyholder, to insure members of the credit union or credit unions for the benefit of persons other
29 than the credit union or credit unions, trustee or trustees, or agent or any of their officials, subject
30 to the following requirements:

31 (i) The members eligible for insurance shall be all of the members of the credit union or
32 credit unions, or all of any class or classes thereof.

33 (ii) The premium for the policy shall be paid by the policyholder from the credit union's
34 funds and, except as provided in subsection (6)(iii), shall insure all eligible members.

1 (iii) An insurer may exclude or limit the coverage on any member as to whom evidence of
2 individual insurability is not satisfactory to the insurer; provided, however, that any exclusion or
3 limitation shall not be based solely on the fact that the person has a prescription to carry or possess
4 ~~the drug naloxone~~ [an opioid antagonist as defined in § 16-21-35\(a\)](#).

5 SECTION 3. 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 -- LIFE INSURANCE POLICIES AND RESERVES

- 1 This act would replace the term "the drug naloxone" with the term "opioid antagonist" in
- 2 chapters regulating life insurance policies and group life insurance policies.
- 3 This act would take effect upon passage.

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