

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

RELATING TO INSURANCE -- NONPROFIT DENTAL SERVICE CORPORATIONS

Introduced By: Senators Lawson, DiMario, Miller, Coyne, Kallman, Euer, Cano, Burke,
and Murray

Date Introduced: January 25, 2022

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-20.1-2 of the General Laws in Chapter 27-20.1 entitled "Nonprofit
2 Dental Service Corporations" is hereby amended to read as follows:

3 **27-20.1-2. Organization.**

4 (a) Five (5) or more dentists duly licensed to practice under the laws of this state who are
5 members of the Rhode Island State Dental Society and who first obtain authorization to do so by
6 the Rhode Island State Dental Society, as evidenced by an affidavit of the president and secretary
7 of the society, may associate themselves by written articles of association for the incorporation of
8 a nonprofit dental service corporation. The laws of this state relative to insurance companies or to
9 the business of insurance, and acts in amendment of or in addition to them, shall not apply to any
10 nonprofit dental service corporation unless expressly so provided in those laws.

11 (b) The directors of a nonprofit dental service corporation, other than a corporation
12 organized pursuant to chapter 19 of this title, shall consist of a majority of members of the public
13 not associated with the profession of dentistry and a minority of dentists duly licensed to practice
14 under the laws of this state.

15 (c) Each nonprofit dental service corporation shall have, in addition to all other powers
16 granted under this chapter and the laws of the state, the power directly or through corporations in
17 which the nonprofit dental service corporation invests or causes to be organized and established
18 and subscribes for all of the capital stock of, the power:

19 (1) To operate as a nonprofit hospital service corporation, subject to all the requirements

1 of chapter 19 of this title and all of regulatory requirements ancillary to it; and specifically the
2 provisions of § 27-19-6; provided, they shall not be subject to §§ 27-19-14 and 27-19-15;

3 (2) To operate as a nonprofit medical service corporation, subject to all of the requirements
4 of chapter 20 of this title and all of the regulatory requirements ancillary to it; and specifically the
5 provisions of § 27-20-6; and

6 (3) To provide administrative, data processing, consulting, utilization review, systems
7 review, and related services relating to the administration of health care services and health care
8 insurance programs, including administering and/or insuring vision and optometric programs.

9 (d) Any limitation on investments or holdings provided in § 27-20.1-7 and any other
10 provisions of the general laws shall not apply with respect to investments or holdings under this
11 section; provided, that the value of any investment shall not exceed twenty percent (20%) of the
12 assets of the dental service corporation, measured at the time the investment is initially made or
13 added to excluding appreciation or such greater percentage as may be approved in writing by the
14 director of the department of business regulation and the attorney general.

15 (e) To the extent that the combined value of all investments in subsidiary or other affiliated
16 entities exceeds fifty percent (50%) of the total reserves and unassigned funds of the dental service
17 corporation, the amount in excess of fifty percent (50%) shall be deemed a "non admitted asset".

18 (f) Each nonprofit dental service corporation shall be deemed to be an insurer for the
19 purposes of compliance with chapter 44-17.

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

=====
LC003421
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO INSURANCE -- NONPROFIT DENTAL SERVICE CORPORATIONS

1 This act would provide that nonprofit dental service corporations would have the power to
2 provide for the administering and/or insuring of vision and optometric programs.

3 This act would take effect upon passage.

=====
LC003421
=====