

2012 -- H 7530

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO INSURANCE - ACCIDENT AND SICKNESS INSURANCE POLICIES

Introduced By: Representatives McLaughlin, San Bento, McNamara, Ferri, and Messier

Date Introduced: February 15, 2012

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-18-54 of the General Laws in Chapter 27-18 entitled "Accident
2 and Sickness Insurance Policies" is hereby amended to read as follows:

3 **27-18-54. Health insurance rates.** – (a) No insurance company organized as a stock or
4 mutual corporation which merges or consolidates with, acquires ownership or control or
5 possession of twenty percent (20%) or greater of the operating assets of, or otherwise acquires
6 control of a non-profit hospital service corporation organized under chapter 19 of this title, a non-
7 profit medical service corporation organized under chapter 20 of this title or a health maintenance
8 organization organized under chapter 41 of this title may: (1) file with any state agency for review
9 or approval any proposed rate to be used by the company in the state, or (2) charge to any party in
10 the state any rate or premium, which takes into account or reflects in any manner the value of any
11 contribution, distribution or allocation the company expends or incurs in establishing or funding a
12 charitable foundation organized to maintain or account for the assets of a non-profit hospital
13 service corporation, non-profit medical service corporation or health maintenance organization.
14 For any rate that is to be charged to policy holders, regardless of whether the rate is subject to
15 approval by a state agency under this or another chapter, the company shall at least thirty (30)
16 days before implementing the rate submit under oath to the commissioner of insurance an
17 accounting that documents the cost structure on which the rate is based and demonstrates the
18 company's compliance with this section.

19 (b) Rate increases to policy holders shall not exceed two percent (2%) per year.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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1 This act would limit rate increases on health insurance policies to two percent (2%) per
2 year.

3 This act would take effect upon passage.

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