

2016 -- H 7784

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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A N A C T

RELATING TO INSURANCE - ACCIDENT AND SICKNESS INSURANCE POLICIES

Introduced By: Representatives Messier, Morin, McLaughlin, and Kazarian

Date Introduced: March 02, 2016

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 27-18 of the General Laws entitled "Accident and Sickness
2 Insurance Policies" is hereby amended by adding thereto the following section:

3 **27-18-8.5. Commission plans for solicitors or insurance producers.** – No person shall
4 be engaged to solicit subscribers to any accident and sickness insurance plan upon a commission
5 basis or upon any other basis by which the payment of the compensation or expenses of that
6 person shall be conditioned upon the enrollment of subscribers, unless the method of solicitation
7 and rate of compensation shall have had the prior written approval of the insurance
8 commissioner.

9 SECTION 2. Chapter 27-41 of the General Laws entitled "Health Maintenance
10 Organizations" is hereby amended by adding thereto the following section:

11 **27-41-8.1. Commission plans for solicitors or insurance producers.** – No person shall
12 be engaged to solicit subscribers to any health maintenance organization plan upon a commission
13 basis or upon any other basis by which the payment of the compensation or expenses of that
14 person shall be conditioned upon the enrollment of subscribers, unless the method of solicitation
15 and rate of compensation shall have had the prior written approval of the insurance
16 commissioner.

1 SECTION 3. This act shall take effect on January 1, 2017.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO INSURANCE - ACCIDENT AND SICKNESS INSURANCE POLICIES

1 This act would extend the prohibition of commission based broker compensation and
2 state oversight of broker compensation plans to all entities issuing policies of accident and
3 sickness insurance or licensed as health maintenance organizations.

4 This act would take effect on January 1, 2017.

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