

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO INSURANCE -- CHILD-SERVING PROVIDER LIABILITY JOINT  
UNDERWRITING ASSOCIATION

Introduced By: Senators DiMario, Lauria, Gallo, Vargas, Valverde, Britto, Acosta,  
Murray, and Kallman

Date Introduced: February 27, 2026

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 27 of the General Laws entitled "INSURANCE" is hereby amended by  
2 adding thereto the following chapter:

3 CHAPTER 84

4 CHILD-SERVING PROVIDER LIABILITY JOINT UNDERWRITING ASSOCIATION

5 **27-84-1. Declaration of purpose.**

6 (a) The general assembly finds that:

7 (1) Child-serving providers throughout the state are experiencing significant difficulty in  
8 obtaining affordable and adequate liability insurance coverage;

9 (2) These organizations provide essential services to children and families, including  
10 childcare, education, behavioral health services, youth development, mentoring, foster care, and  
11 recreational programming;

12 (3) The lack of available or affordable liability insurance threatens the continued operation  
13 of these providers and the health, safety, and welfare of Rhode Island children;

14 (4) It is in the public interest to ensure the availability of liability insurance coverage for  
15 child-serving providers unable to procure such coverage in the voluntary insurance market.

16 (b) The purpose of this chapter is to establish a joint underwriting association to provide  
17 liability insurance coverage to eligible child-serving providers as a market of last resort. This  
18 chapter is enacted to provide a mechanism for the equitable apportionment among insurers of the

1 responsibility for insuring eligible child-serving providers who are in good faith entitled to, but are  
2 unable to procure, liability insurance coverage through ordinary methods.

3 **27-84-2. Definitions.**

4 As used in this chapter:

5 (1) “Association” means the child-serving organization liability joint underwriting  
6 association established pursuant to this chapter.

7 (2) “Child care provider” or “child-serving provider” means any person, corporation,  
8 partnership, nonprofit organization, governmental entity, or other legal entity that is licensed,  
9 certified, registered, or otherwise authorized under the laws of the State of Rhode Island to provide  
10 care, supervision, treatment, education, behavioral health services, residential services, or other  
11 essential services to children under eighteen (18) years of age. Such term shall include, but not be  
12 limited to:

13 (i) Licensed child care centers and family child care homes;

14 (ii) Group family child care homes and school-age child care programs;

15 (iii) Early learning, preschool, and pre-kindergarten programs not otherwise operated by a  
16 public school district;

17 (iv) Community-based children’s behavioral health providers including, but not limited to,  
18 entities providing outpatient counseling, home-based services, mobile response and stabilization  
19 services, intensive in-home treatment, therapeutic mentoring, case management, or similar  
20 services;

21 (v) Residential treatment facilities, group homes, therapeutic foster care agencies, shelter  
22 care programs, and other congregate care programs serving minors;

23 (vi) Providers of early intervention services, developmental disability services, and child  
24 welfare services;

25 (vii) Nonprofit or for-profit organizations that provide after-school programs, enrichment  
26 programs, mentoring services, recreational supervision, or structured youth programming; and

27 (viii) Any other licensed or state-contracted provider whose primary purpose includes the  
28 supervision, care, custody, treatment, or support of minors.

29 For purposes of clarity, this definition shall apply regardless of whether services are  
30 delivered in a center-based setting, in a residential facility, in a private home, in a community  
31 setting, or through mobile or in-home service delivery.

32 (3) “Department” means the Rhode Island department of business regulation.

33 (4) “Director” means the director of the department of business regulation, or designee.

34 (5) “Member insurer” means every insurer authorized to write commercial general liability

1 insurance in this state.

2 (6) "Net direct premiums" means gross direct premiums written on commercial general  
3 liability insurance in this state, less return premiums thereon and dividends paid or credited to  
4 policyholders.

5 **27-84-3. Establishment of association -- Mandatory membership.**

6 (a) There is created a nonprofit, unincorporated legal entity to be known as the child-  
7 serving provider liability joint underwriting association.

8 (b) Every insurer authorized to write commercial general liability insurance in this state  
9 shall be and remain a member of the association as a condition of its authority to transact such  
10 insurance within this state.

11 (c) The association shall operate pursuant to a plan of operation approved by the director  
12 and shall exercise its powers through a board of directors established under the plan.

13 (d) The association shall operate under the supervision of the department and shall be  
14 subject to the applicable provisions of this title.

15 **27-84-4. Governance.**

16 (a) The association shall be governed by a board of directors consisting of:

17 (1) Four (4) representatives of member insurers, appointed by the director;

18 (2) Three (3) representatives of child-serving organizations, appointed by the governor;

19 (3) One public member with experience in child advocacy or risk management, appointed  
20 by the governor; and

21 (4) The director, or designee, who shall serve as an ex officio, nonvoting member.

22 (b) Board members shall serve terms of three (3) years and may be reappointed.

23 (c) The board shall adopt bylaws and administer the association in accordance with the  
24 approved plan of operation.

25 **27-84-5. Plan of operation.**

26 (a) Within one hundred twenty (120) days after the effective date of this chapter, the  
27 association shall submit to the director a proposed plan of operation for approval.

28 (b) The plan of operation shall provide for:

29 (1) The establishment of necessary facilities for underwriting, policy issuance, claims  
30 handling, and other functions of the association;

31 (2) Reasonable underwriting standards for determining eligibility;

32 (3) Procedures for applicants to demonstrate inability to obtain coverage in the voluntary  
33 market;

34 (4) The establishment of rates, rating plans, and policy forms;

- 1           (5) The assessment of member insurers to defray losses and expenses;  
2           (6) The investment and management of funds;  
3           (7) The appointment of servicing carriers or third-party administrators; and  
4           (8) Such other provisions as are necessary or proper for the efficient operation of the  
5 association.

6           (c) If the association fails to submit a suitable plan of operation, the director shall  
7 promulgate and adopt a plan.

8           (d) The plan of operation and any amendments thereto shall be subject to approval by the  
9 director.

10           **27-84-6. Coverage.**

11           (a) The association shall make available commercial general liability insurance coverage,  
12 including coverage for bodily injury, property damage, personal injury, and sexual abuse and  
13 molestation liability, to any eligible child-serving provider that:

14           (1) Is in compliance with applicable state licensing and regulatory requirements; and

15           (2) Has been unable, after diligent effort, to obtain substantially equivalent coverage in the  
16 voluntary market.

17           (b) The association may establish reasonable limits of liability, deductibles, exclusions,  
18 and underwriting requirements, subject to approval by the director.

19           (c) Coverage shall be provided only so long as the insured remains unable to obtain  
20 coverage in the voluntary market.

21           **27-84-7. Rates.**

22           (a) Rates shall not be excessive, inadequate, or unfairly discriminatory and shall be  
23 actuarially sound.

24           (b) All rates, rating plans, and policy forms shall be filed with and approved by the director  
25 prior to use.

26           (c) The director may disapprove any rate or form inconsistent with this title.

27           **27-84-8. Assessments.**

28           (a) If the association's premiums, investment income, and other revenues are insufficient  
29 to pay its losses and expenses, the association shall assess member insurers in proportion to each  
30 member's share of net direct premiums written in this state for commercial general liability  
31 insurance during the preceding calendar year.

32           (b) Assessments shall be subject to approval by the director.

33           (c) A member insurer may offset any assessment paid against its premium tax liability in  
34 this state in a manner and over a period determined by the general assembly.

1           **27-84-9. Powers of the association.**

2           The association shall have the power to:

3           (1) Sue and be sued;

4           (2) Enter into contracts;

5           (3) Borrow funds and issue evidence of indebtedness;

6           (4) Purchase reinsurance;

7           (5) Invest funds in accordance with § 27-4-27;

8           (6) Appoint servicing carriers or administrators; and

9           (7) Perform all acts necessary or proper to effectuate the purposes of this chapter.

10          **27-84-10. Board of directors -- Immunity.**

11          (a) The association shall be governed by a board of directors established pursuant to the  
12 plan of operation and approved by the director.

13          (b) No member of the board of directors, officer of the association, or employee or agent  
14 of the association shall be liable in a civil action for any act or omission arising out of the  
15 performance of duties pursuant to this chapter; provided that, such person acted in good faith and  
16 without willful misconduct or gross negligence.

17          (c) The association shall indemnify and hold harmless each board member, officer,  
18 employee, and agent of the association against all costs, expenses, judgments, and liabilities  
19 incurred in connection with any action, suit, or proceeding arising out of the performance of duties  
20 under this chapter; provided that, the person acted in good faith and without willful misconduct or  
21 gross negligence.

22          (d) For purposes of chapter 31 of title 9, the association shall be deemed a public  
23 instrumentality of the state solely for purposes of the immunity protections set forth in this section.

24          **27-84-11. Examination and oversight.**

25          The association shall be subject to examination by the department in the same manner as  
26 insurers authorized to transact business in this state. The reasonable costs of examination shall be  
27 borne by the association.

28          **27-84-12. Tax status.**

29          The association shall be exempt from all state and local taxes except taxes on real and  
30 personal property.

31          **27-84-13. Annual report.**

32          The association shall submit annually to the director and to the speaker of the house of  
33 representatives and the president of the senate a report on its financial condition, underwriting  
34 experience, claims activity, and market conditions.

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

=====  
LC005849  
=====

EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO INSURANCE -- CHILD-SERVING PROVIDER LIABILITY JOINT  
UNDERWRITING ASSOCIATION

\*\*\*

1           This act would create the child-serving provider liability joint underwriting association to  
2 provide a joint underwriting association to provide liability insurance coverage for eligible child  
3 serving providers.

4           This act would take effect upon passage.

=====  
LC005849  
=====