

**State of Rhode Island and Providence Plantations  
OFFICE OF THE HEALTH INSURANCE COMMISSIONER  
1511 Pontiac Avenue, Bldg. #69  
Cranston, RI 02920**

**CONCISE EXPLANATORY STATEMENT FOR ADOPTION OF OFFICE OF THE  
HEALTH INSURANCE COMMISSIONER REGULATION 10**

This regulation is promulgated pursuant to the authority granted to the health insurance commissioner under R.I. Gen. Laws §§ 27-70-1 *et seq.*, 42-14-5, 42-14-17, 42-14.5-1 *et seq.* and 42-35-1 *et seq.* This regulation is projected to implement the provisions of Title 27, Chapter 70, entitled “The Health Insurance Tax Incentive”(the HITI). The HITI requires each Rhode Island employer which meets a designated size requirement to adopt and maintain for its employees a cafeteria plan, also known as a Section 125 plan. The purpose of a cafeteria plan is so that employees and their dependents may purchase health insurance with pre-tax wages. This regulation does not require any employer to establish a group health plan, nor does it require an employer to contribute to the cost of health insurance purchased through a cafeteria plan. Furthermore, this regulation shall not be construed as requiring an employer to create a cafeteria plan in any way which would violate any federal law.

Office of the Health Insurance Commissioner  
March 23, 2009