§ 10a-256. Hospital Insurance Fund. Exemption from certain provisions of chapter 368z: University of Connecticut Health Center Finance Corporation Act

(a) There is created, as a separate trust fund of the corporation, a Hospital Insurance Fund to be held by the State Treasurer. To this fund shall be charged all payments required to satisfy claims against the hospital and the corporation arising from health care services including (1) claims against the hospital's officers, agents, employees, physicians enjoying privileges at the hospital or at the school of medicine or dental medicine or persons otherwise implementing the purposes of the hospital, (2) all direct expenses and payments for the protection of the interests of the hospital or the state in connection with protection against any of the foregoing, including the payment of insurance premiums and the settlement of claims, and (3) all operating expenses of the corporation, including the cost of professional services, which are attributable to the administration or maintenance of the fund. To the fund shall be credited all receipts of the corporation from contracts for insurance with the hospital or the state as provided under subsection (b) of section 10a-255 and such other moneys of the corporation as the corporation deems necessary or desirable and which are available for the fund. Moneys in the fund that are not needed to satisfy claims or meet the expenses and payments and obligations of the corporation may be invested in the manner provided by section 3-31a, and all income from such investments shall become part of the Hospital Insurance Fund.

(b) In lieu of the procedures set forth in section 4a-20, the corporation shall procure or provide insurance coverage for the hospital against the liabilities described in subsection (a) of this section. The corporation shall procure such insurance coverages including coverage of related legal expenses which the corporation determines is necessary or desirable for the operations of the hospital. The corporation may cause sufficient amounts to be available in the Hospital Insurance Fund to self-insure against the liabilities which are charges against the Hospital Insurance Fund.

(c) The corporation shall designate the agent or agents of record and shall select the companies from whom insurance coverage shall be purchased. The corporation shall have full authority to negotiate all elements of insurance premiums, including the agent’s commission. Any refund, dividend or other payment from any insurance company in connection with insurance for the hospital shall be deposited in the Hospital Insurance Fund. The corporation shall establish specifications for each contract of insurance and shall request bids for each such contract through the agent of record. Each such contract shall be for a specified period of time. The corporation shall purchase such insurance policies, develop and administer a self-insurance program, or any combination thereof, as will provide the insurance coverages or combinations thereof determined in accordance with subsection (b) of this section.

(d) The amount of money necessary to fund the amount that has been determined to be necessary to protect the hospital for the purposes for which the Hospital Insurance Fund was created, as determined and approved by the Board of Trustees of The University of Connecticut, shall be transferred to the Hospital Insurance Fund from the revolving fund of the hospital. Such determination shall not be subject to other review and shall be legally conclusive for purposes of this section.
(e) If from time to time in the opinion of the corporation the addition of money to the fund is required to meet the obligations of the Hospital Insurance Fund as provided in sections 10a-250 to 10a-263, inclusive, the hospital shall upon written direction from the corporation provide sufficient funds to maintain the Hospital Insurance Fund at a level deemed necessary, that is exclusively determined and approved by the Board of Trustees of The University of Connecticut.

(f) The corporation may purchase such risk management, actuarial or other professional services as may be required to carry out the purposes of this section.

(g) The corporation and its subsidiaries shall be exempt from the provisions of chapter 368z, except those relating to certificates of need applications and capital expenditures, to the same extent as the hospital.