

# SENATE BILL No. 304

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 27-8-5.1.

**Synopsis:** Individual out-of-state health insurance. Allows an accident and sickness insurer that is licensed in certain other states, but is not licensed in Indiana, and complies with the state examination and premium tax requirements, to issue or deliver an individual policy of accident and sickness insurance to an individual resident of Indiana without complying with other Indiana insurance law.

**Effective:** July 1, 2017.

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January 9, 2017, read first time and referred to Committee on Insurance and Financial Institutions.

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First Regular Session 120th General Assembly (2017)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2016 Regular Session of the General Assembly.

## SENATE BILL No. 304

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 27-8-5.1 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2017]:
- 4 **Chapter 5.1. Out-of-State Individual Policies of Accident and**
- 5 **Sickness Insurance**
- 6 **Sec. 1. As used in this chapter, "commissioner" refers to the**
- 7 **insurance commissioner appointed under IC 27-1-1-2.**
- 8 **Sec. 2. As used in this chapter, "out-of-state insurer" means an**
- 9 **insurer that:**
- 10 **(1) does not possess a certificate of authority to engage in the**
- 11 **business of insurance in Indiana; and**
- 12 **(2) is licensed to engage in the business of insurance in**
- 13 **another state in which the state insurance department is**
- 14 **accredited under the National Association of Insurance**
- 15 **Commissioners' Financial Regulation Standards and**
- 16 **Accreditation Program.**
- 17 **Sec. 3. As used in this chapter, "policy of accident and sickness**



1 insurance" means a policy or contract covering one (1) or more of  
 2 the types of insurance described in Class 1(b) or Class 2(a) of  
 3 IC 27-1-5-1.

4 **Sec. 4. Notwithstanding any other law, an out-of-state insurer**  
 5 **that complies with:**

6 (1) IC 27-1-18-2;

7 (2) this chapter; and

8 (3) the applicable law of the state in which the out-of-state  
 9 insurer is licensed;

10 may, without complying with any other provision of this title, issue  
 11 and deliver to a resident of Indiana an individual policy of accident  
 12 and sickness insurance that the out-of-state insurer is authorized  
 13 to issue or deliver in the state in which the out-of-state insurer is  
 14 licensed.

15 **Sec. 5. The commissioner:**

16 (1) may:

17 (A) conduct market conduct and solvency examinations of  
 18 an out-of-state insurer before and after the out-of-state  
 19 insurer begins issuing or delivering policies of accident and  
 20 sickness insurance in Indiana under this chapter; and

21 (B) adopt rules under IC 4-22-2 to review and limit  
 22 premium rate changes that apply to a policy of accident  
 23 and sickness insurance described in section 4 of this  
 24 chapter; and

25 (2) shall conduct examinations under subdivision (1)(A) in the  
 26 same manner and according to the same terms and conditions  
 27 as an examination is conducted for an insurer that possesses  
 28 a certificate of authority to issue individual policies of  
 29 accident and sickness insurance in Indiana.

30 **Sec. 6. An out-of-state insurer shall provide the following notices**  
 31 **in 12 point bold type at the beginning of a policy of accident and**  
 32 **sickness insurance at the time the policy is issued or delivered**  
 33 **under this chapter in Indiana, and at renewal:**

34 (1) "NOTICE: This policy is primarily governed by the laws  
 35 of (state where policy is filed). Rating laws that apply to  
 36 policies filed in Indiana may not apply to this policy, and this  
 37 may result in increases in your premium at renewal that  
 38 would not be permissible in an Indiana approved policy. Any  
 39 purchase of an individual health insurance policy should be  
 40 considered carefully since future medical conditions may  
 41 make it impossible to qualify for another individual health  
 42 insurance policy. For information concerning individual



1           **health insurance coverage under an Indiana approved policy,**  
2           **please consult your insurance agent or the Indiana**  
3           **Department of Insurance."**  
4           **(2) "NOTICE: The benefits of this policy are governed**  
5           **primarily by the laws of (state where policy is filed). While**  
6           **this health insurance policy may provide you more affordable**  
7           **health insurance coverage, it may also provide fewer health**  
8           **insurance benefits than those normally included as state**  
9           **mandated health benefits in health insurance policies in**  
10           **Indiana. Please consult your insurance agent to determine**  
11           **which state mandated health benefits are excluded under this**  
12           **health insurance policy."**

