



February 25, 1999

# HOUSE BILL No. 2043

DIGEST OF HB 2043 (Updated February 23, 1999 12:34 pm - DI 97)

**Citations Affected:** IC 22-3; IC 27-1; IC 27-13; noncode.

**Synopsis:** Various insurance matters. Adds provisions regarding regulation of worker's compensation coverage providers. Provides that a health maintenance organization may not discriminate against providers acting within the scope of the provider's license or certificate on the basis of the provider's license or certificate. Requires certain employees of the department of insurance to attend continuing education courses.

**Effective:** Upon passage; July 1, 1999; January 1, 2000.

**Fry**

January 27, 1999, read first time and referred to Committee on Insurance, Corporations and Small Business.  
February 24, 1999, amended, reported — Do Pass.

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February 25, 1999

First Regular Session 111th General Assembly (1999)

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 1998 General Assembly.

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## HOUSE BILL No. 2043

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 22-3-6-2.1 IS ADDED TO THE INDIANA  
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE JANUARY 1, 2000]: **Sec. 2.1. Notwithstanding section**  
4 **2 of this chapter or any other law, any individual, organization, or**  
5 **entity that provides worker's compensation coverage under this**  
6 **article and that is not regulated by the department of insurance**  
7 **shall be regulated by the worker's compensation board established**  
8 **under IC 22-3-1-1 consistent with the requirements for regulation**  
9 **of insurance companies under IC 27.**

10 SECTION 2. IC 27-1-1-6 IS ADDED TO THE INDIANA CODE  
11 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
12 1, 1999]: **Sec. 6. (a) All employees of the department except:**

- 13 (1) **the commissioner;**  
14 (2) **the chief deputy commissioner;**  
15 (3) **other deputy commissioners; and**

HB 2043—LS 8042/DI 97+



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**(4) clerical staff;**  
shall comply with the continuing education requirements established for a licensed insurance agent under IC 27-1-15.5-7.1.

**(b) This section does not require employees of the department to obtain an insurance agent's license.**

**(c) The department shall, not later than July 1 of each year, submit a report to the legislative council regarding compliance with this section.**

**(d) All costs associated with this section shall be paid from the department of insurance fund established under IC 27-1-3-28.**

SECTION 3. IC 27-1-3-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 28. (a) The department of insurance fund is established for the following purposes:

(1) To provide supplemental funding for the operations of the department of insurance.

(2) To pay the costs of hiring and employing staff.

(3) To provide staff salary differentials as necessary to equalize the average salaries and staffing levels of the department of insurance with the average salaries and staffing levels reported in the most recent Insurance Department Resources Report published by the National Association of Insurance Commissioners.

(4) To enable the department of insurance to maintain accreditation by the National Association of Insurance Commissioners.

**(5) To administer IC 22-3-6-2.1 concerning the regulation of entities that provide worker's compensation coverage.**

**(6) To pay the costs associated with IC 27-1-1-6 concerning continuing education of department employees.**

(b) The fund shall be administered by the commissioner. The following shall be deposited in the department of insurance fund:

(1) Audit fees remitted by insurers to the commissioner under IC 27-1-3-15(d).

(2) Filing fees remitted by insurers to the commissioner under IC 27-1-3-15(e).

(3) Any other amounts remitted to the commissioner or the department that are required by rule or statute to be deposited into the department of insurance fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same

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1 manner as other public funds may be invested. Interest that accrues  
2 from these investments shall be deposited in the fund.

3 (e) Money in the fund at the end of a particular fiscal year does not  
4 revert to the state general fund.

5 (f) There is annually appropriated to the department of insurance,  
6 for the purposes set forth in subsection (a), the entire amount of money  
7 deposited in the fund in each year.

8 SECTION 4. IC 27-13-36-2.5 IS ADDED TO THE INDIANA  
9 CODE AS A NEW SECTION TO READ AS FOLLOWS  
10 [EFFECTIVE JULY 1, 1999]: **Sec. 2.5. A health maintenance**  
11 **organization may not discriminate against a provider acting within**  
12 **the scope of the provider's license or certification with respect to:**

- 13 (1) participation;  
14 (2) reimbursement;  
15 (3) indemnification; or  
16 (4) scope of care;

17 **solely on the basis of the provider's license or certification.**

18 SECTION 5. [EFFECTIVE UPON PASSAGE] (a) **The worker's**  
19 **compensation board of Indiana established under IC 22-3-1-1 and**  
20 **the department of insurance shall adopt joint rules under**  
21 **IC 4-22-2-37.1 not later than September 30, 1999, to implement**  
22 **and ensure the effectiveness of IC 22-3-6-2.1, as added by this act.**

23 (b) **This SECTION expires July 1, 2001.**

24 SECTION 6. **An emergency is declared for this act.**

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, Corporations and Small Business, to which was referred House Bill 2043, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete pages 1 through 3.

Page 4, delete lines 1 through 21.

Page 4, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 2. IC 27-1-1-6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 6. (a) All employees of the department except:**

- (1) the commissioner;**
- (2) the chief deputy commissioner;**
- (3) other deputy commissioners; and**
- (4) clerical staff;**

**shall comply with the continuing education requirements established for a licensed insurance agent under IC 27-1-15.5-7.1.**

**(b) This section does not require employees of the department to obtain an insurance agent's license.**

**(c) The department shall, not later than July 1 of each year, submit a report to the legislative council regarding compliance with this section.**

**(d) All costs associated with this section shall be paid from the department of insurance fund established under IC 27-1-3-28."**

Page 4, delete lines 31 through 42.

Delete page 5.

Page 6, delete lines 1 through 37.

Page 7, between lines 12 and 13, begin a new line block indented and insert:

**"(6) To pay the costs associated with IC 27-1-1-6 concerning continuing education of department employees."**

Page 7, line 16, reset in roman "IC 27-1-3-15(d).".

Page 7, line 16, delete "IC 27-1-3-15(c).".

Page 7, line 18, reset in roman "IC 27-1-3-15(c).".

Page 7, line 18, delete "IC 27-1-3-15(d).".

Page 7, between lines 32 and 33, begin a new paragraph and insert:

"SECTION 4. IC 27-13-36-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 2.5. A health maintenance organization may not discriminate against a provider acting within the scope of the provider's license or certification with respect to:**

- (1) participation;**



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**(2) reimbursement;**  
**(3) indemnification; or**  
**(4) scope of care;**  
**solely on the basis of the provider's license or certification."**

Page 7, delete lines 33 through 42.

Delete pages 8 through 83

Page 84, delete lines 1 through 30.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 2043 as introduced.)

FRY, Chair

Committee Vote: yeas 14, nays 0.

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