

HOUSE BILL No. 2041

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10-8.5.

Synopsis: Public employer self-insurance. Requires a self-insurance program established or maintained by a public employer for coverage of health care services for the public employer's employees to meet certain minimum standards established by the department of insurance. Provides that contributions made by public employers or employees for coverage of health care services may not be transferred to other accounts or used for any other purpose. Requires the commissioner to adopt rules. Requires the commissioner to submit an evaluation of compliance with the act to the legislative council and the governor before July 1, 2002.

Effective: July 1, 1999.

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January 27, 1999, read first time and referred to Committee on Insurance, Corporations and Small Business.

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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.

HOUSE BILL No. 2041



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 5-10-8.5 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 1999]
- 4 **Chapter 8.5. Public Employer Self-Insurance**
- 5 **Sec. 1. (a) As used in this chapter, "commissioner" refers to the**
- 6 **commissioner of the department of insurance.**
- 7 **(b) As used in this chapter, "department" refers to the**
- 8 **department of insurance.**
- 9 **(c) As used in this chapter, "health care services" has the**
- 10 **meaning set forth in IC 27-8-11-1.**
- 11 **(d) As used in this chapter, "public employer" has the meaning**
- 12 **set forth in IC 5-10-8-1.**
- 13 **(e) As used in this chapter, "self-insurance program" means a**
- 14 **program of self-insurance established or maintained by a public**
- 15 **employer to provide coverage for health care services to the public**
- 16 **employer's employees and the employees' dependents.**
- 17 **Sec. 2. Notwithstanding any other law, any self-insurance**



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1 program established or maintained by a public employer must
2 comply with this chapter.

3 **Sec. 3.** The department shall establish minimum standards to
4 ensure that a self-insurance program provides that individuals
5 covered under the self-insurance program have consumer
6 protections that are substantially similar to the following consumer
7 protections afforded an individual covered by an insurer or health
8 maintenance organization regulated under IC 27:

9 (1) Business practices requirements under IC 27-1-3.

10 (2) Annual financial reporting requirements under
11 IC 27-1-3.5.

12 (3) Surplus requirements under IC 27-1-6.

13 (4) General responsibilities under IC 27-1-7.

14 (5) Investment requirements under IC 27-1-13 and
15 IC 27-1-20.

16 (6) Unfair or deceptive acts and practices requirements under
17 IC 27-4-1.

18 (7) Policy provision requirements under IC 27-8-5.

19 (8) Grievance procedure requirements under IC 27-13-10.

20 **Sec. 4.** Notwithstanding any other law:

21 (1) contributions by covered employees; and

22 (2) transfers or allocations of funds by a public employer;
23 for coverage for health care services under a self-insurance
24 program may not be transferred to other accounts or expended for
25 any other purpose.

26 **Sec. 5.** The department shall monitor a self-insurance program's
27 compliance with this chapter.

28 **Sec. 6.** The commissioner shall adopt rules under IC 4-22-2
29 before June 30, 2000 to implement this chapter.

30 SECTION 2. [EFFECTIVE JULY 1, 1999] (a) IC 5-10-8.5, as
31 added by this act, applies to self-insurance programs established,
32 renewed, or in effect after January 1, 2001.

33 (b) The commissioner shall submit an evaluation of compliance
34 with IC 5-10-8.5, as added by this act, to the governor and the
35 legislative council before July 1, 2002.

36 (c) This SECTION expires July 1, 2004.

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