HOUSE BILL No. 1043

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, and is not licensed in Indiana, 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, 2012.

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January 9, 2012, read first time and referred to Committee on Insurance.

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Introduced

Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

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HOUSE BILL No. 1043

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

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

SECTION 1. IC 27-8-5.1 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]:

Chapter 5.1. Out-of-State Individual Policies of Accident and Sickness Insurance

Sec. 1. As used in this chapter, "commissioner" refers to the insurance commissioner appointed under IC 27-1-1-2.

Sec. 2. As used in this chapter, "out-of-state insurer" means an insurer that:

(1) does not possess a certificate of authority to engage in the business of insurance in Indiana; and

(2) is licensed to engage in the business of insurance in another state in which the state insurance department is accredited under the National Association of Insurance Commissioners' Financial Regulation Standards and Accreditation Program.

Sec. 3. As used in this chapter, "policy of accident and sickness

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

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

(1) this chapter; and

(2) the applicable law of the state in which the out-of-state insurer is licensed;

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

Sec. 5. The commissioner:

(1) may:

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

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

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

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

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

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consult your insurance agent or the Indiana Department of Insurance.".

(2) "NOTICE: The benefits of this policy are governed primarily by the laws of (state where policy is filed). While this health insurance policy may provide you more affordable health insurance coverage, it may also provide fewer health insurance benefits than those normally included as state mandated health benefits in health insurance policies in Indiana. Please consult your insurance agent to determine which state mandated health benefits are excluded under this health insurance policy.".

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