

Bulletin 13

ASSESSMENT PLAN INSURANCE -- HEALTH INSURANCE COVERAGE PROHIBITED

February 7, 1964

We wish to draw your attention to the concluding paragraphs of Attorney General Opinion No. 10 as issued by the Indiana Attorney General on February 6, 1964:

"The statute authorizing the creation of assessment plan companies does not specifically authorize the writing of health insurance, as herein defined, nor can it be inferred, and such power not being granted, the writing of such policies would be in excess of the powers of such a company formed under this statute.

"It is my opinion that a mutual life and accident company organized and operating under the 1897 Act may not transact the business of writing health insurance. Having arrived at this conclusion, it becomes apparent that your second question does not require an answer."

In accordance with the Attorney General's Opinion, the Department of Insurance rules: --

- (1) that any and all health insurance policy forms, or policy forms which include health insurance coverage, which have been FILED with this Department by a mutual life and accident insurance company organized and operating under the Acts 1897 are as of this date automatically disapproved and withdrawn from file; and
- (2) that no health insurance policies, or policies which include health insurance coverage, will be issued by a mutual life and accident insurance company organized and operating under the Acts 1897 on or after February 10, 1964; and
- (3) that the disposition of any and all health insurance policies, or policies which include health insurance coverage, which have been issued by a mutual life and accident insurance company, organized and operating under the Acts 1897, prior to February 10, 1964 and according to the records of the company are in full force and effect as of February 10, 1964 will be subject to such action and treatment as determined by the Insurance Commissioner in consultation with each such insurance company.

Harry E. McClain
Insurance Commissioner