



February 15, 2019

HOUSE BILL No. 1631

DIGEST OF HB 1631 (Updated February 13, 2019 10:27 am - DI 97)

Citations Affected: IC 27-1; IC 27-8.

Synopsis: Short term insurance plans. Specifies certain coverage and disclosures that must be provided with respect to a short term insurance plan. Requires an insurer that issues a short term insurance plan to offer at least one plan that is subject to certain conditions in connection with health status related factors. Amends current provisions exempting short term health insurance from accident and sickness insurance policy requirements to provide for a duration of not more than 12 months, and a minimum annual benefit of at least \$2,000,000.

Effective: July 1, 2019.

Carbaugh, Austin

January 24, 2019, read first time and referred to Committee on Insurance.
February 14, 2019, amended, reported — Do Pass.

HB 1631—LS 7276/DI 97



February 15, 2019

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

HOUSE BILL No. 1631

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 27-1-37.3-5, AS ADDED BY P.L.55-2008,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2019]: Sec. 5. (a) As used in this chapter, "health plan" means
4 a plan through which coverage is provided for health care services
5 through insurance, prepayment, reimbursement, or otherwise. The term
6 includes the following:
7 (1) An employee welfare benefit plan (as defined in 29 U.S.C.
8 1002 et seq.).
9 (2) A policy of accident and sickness insurance (as defined in
10 IC 27-8-5-1).
11 (3) An individual contract (as defined in IC 27-13-1-21) or a
12 group contract (as defined in IC 27-13-1-16).
13 (b) The term does not include the following:
14 (1) Accident-only, credit, Medicare supplement, long term care,
15 or disability income insurance.
16 (2) Coverage issued as a supplement to liability insurance.
17 (3) Worker's compensation or similar insurance.

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- 1 (4) Automobile medical payment insurance.
 2 (5) A specified disease policy issued as an individual policy.
 3 (6) A short term insurance plan that:
 4 (A) may not be renewed; ~~and~~
 5 (B) has a duration of not more than ~~six (6)~~ **twelve (12)**
 6 months; **and**
 7 **(C) has a minimum benefit per year of at least two million**
 8 **dollars (\$2,000,000).**
 9 (7) A policy that provides a stipulated daily, weekly, or monthly
 10 payment to an insured during hospital confinement, without
 11 regard to the actual expense of the confinement.
- 12 SECTION 2. IC 27-8-5-2.5, AS AMENDED BY P.L.3-2008,
 13 SECTION 212, IS AMENDED TO READ AS FOLLOWS
 14 [EFFECTIVE JULY 1, 2019]: Sec. 2.5. (a) As used in this section, the
 15 term "policy of accident and sickness insurance" does not include the
 16 following:
- 17 (1) Accident only, credit, dental, vision, Medicare supplement,
 18 long term care, or disability income insurance.
 19 (2) Coverage issued as a supplement to liability insurance.
 20 (3) Automobile medical payment insurance.
 21 (4) A specified disease policy.
 22 (5) A short term insurance plan that:
 23 (A) may not be renewed; ~~and~~
 24 (B) has a duration of not more than ~~six (6)~~ **twelve (12)**
 25 months; **and**
 26 **(C) has a minimum benefit per year of at least two million**
 27 **dollars (\$2,000,000).**
 28 (6) A policy that provides indemnity benefits not based on any
 29 expense incurred requirement, including a plan that provides
 30 coverage for:
 31 (A) hospital confinement, critical illness, or intensive care; or
 32 (B) gaps for deductibles or copayments.
 33 (7) Worker's compensation or similar insurance.
 34 (8) A student health plan.
 35 (9) A supplemental plan that always pays in addition to other
 36 coverage.
 37 (10) An employer sponsored health benefit plan that is:
 38 (A) provided to individuals who are eligible for Medicare; and
 39 (B) not marketed as, or held out to be, a Medicare supplement
 40 policy.
 41 (b) The benefits provided by:
 42 (1) an individual policy of accident and sickness insurance; or



1 (2) a certificate of coverage that is issued under a nonemployer
 2 based association group policy of accident and sickness insurance
 3 to an individual who is a resident of Indiana;
 4 may not be excluded, limited, or denied for more than twelve (12)
 5 months after the effective date of the coverage because of a preexisting
 6 condition of the individual.

7 (c) An individual policy of accident and sickness insurance or a
 8 certificate of coverage described in subsection (b) may not define a
 9 preexisting condition, a rider, or an endorsement more restrictively
 10 than as:

11 (1) a condition that would have caused an ordinarily prudent
 12 person to seek medical advice, diagnosis, care, or treatment
 13 during the twelve (12) months immediately preceding the
 14 effective date of the plan;

15 (2) a condition for which medical advice, diagnosis, care, or
 16 treatment was recommended or received during the twelve (12)
 17 months immediately preceding the effective date of the plan; or

18 (3) a pregnancy existing on the effective date of the plan.

19 (d) An insurer shall reduce the period allowed for a preexisting
 20 condition exclusion described in subsection (b) by the amount of time
 21 the individual has continuously served under a preexisting condition
 22 clause for a policy of accident and sickness insurance issued under
 23 IC 27-8-15 if the individual applies for a policy under this chapter not
 24 more than thirty (30) days after coverage under a policy of accident and
 25 sickness insurance issued under IC 27-8-15 expires.

26 SECTION 3. IC 27-8-5-15.6, AS AMENDED BY P.L.173-2007,
 27 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2019]: Sec. 15.6. (a) As used in this section, "coverage of
 29 services for a mental illness" includes the services defined under the
 30 policy of accident and sickness insurance. However, the term does not
 31 include services for the treatment of substance abuse or chemical
 32 dependency.

33 (b) This section applies to a policy of accident and sickness
 34 insurance that:

35 (1) is issued on an individual basis or a group basis;

36 (2) is issued, entered into, or renewed after December 31, 1999;
 37 and

38 (3) is issued to an employer that employs more than fifty (50)
 39 full-time employees.

40 (c) This section does not apply to the following:

41 (1) A legal business entity that has obtained an exemption under
 42 section 15.7 of this chapter.



- 1 (2) Accident only, credit, dental, vision, Medicare supplement,
 2 long term care, or disability income insurance.
 3 (3) Coverage issued as a supplement to liability insurance.
 4 (4) Worker's compensation or similar insurance.
 5 (5) Automobile medical payment insurance.
 6 (6) A specified disease policy.
 7 (7) A short term insurance plan that:
 8 (A) may not be renewed; ~~and~~
 9 (B) has a duration of not more than ~~six (6)~~ **twelve (12)**
 10 **months; and**
 11 **(C) has a minimum benefit per year of at least two million**
 12 **dollars (\$2,000,000).**
 13 (8) A policy that provides indemnity benefits not based on any
 14 expense incurred requirement, including a plan that provides
 15 coverage for:
 16 (A) hospital confinement, critical illness, or intensive care; or
 17 (B) gaps for deductibles or copayments.
 18 (9) A supplemental plan that always pays in addition to other
 19 coverage.
 20 (10) A student health plan.
 21 (11) An employer sponsored health benefit plan that is:
 22 (A) provided to individuals who are eligible for Medicare; and
 23 (B) not marketed as, or held out to be, a Medicare supplement
 24 policy.
 25 (d) A group or individual insurance policy or agreement may not
 26 permit treatment limitations or financial requirements on the coverage
 27 of services for a mental illness if similar limitations or requirements are
 28 not imposed on the coverage of services for other medical or surgical
 29 conditions.
 30 (e) An insurer that issues a policy of accident and sickness
 31 insurance that provides coverage of services for the treatment of
 32 substance abuse and chemical dependency when the services are
 33 required in the treatment of a mental illness shall offer to provide the
 34 coverage without treatment limitations or financial requirements if
 35 similar limitations or requirements are not imposed on the coverage of
 36 services for other medical or surgical conditions.
 37 (f) This section does not require a group or individual insurance
 38 policy or agreement to offer mental health benefits.
 39 (g) The benefits delivered under this section may be delivered under
 40 a managed care system.
 41 SECTION 4. IC 27-8-5-27, AS AMENDED BY P.L.173-2007,
 42 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2019]: Sec. 27. (a) As used in this section, "accident and
 2 sickness insurance policy" means an insurance policy that provides at
 3 least one (1) of the types of insurance described in IC 27-1-5-1, Classes
 4 1(b) and 2(a), and is issued on a group basis. The term does not include
 5 the following:

6 (1) Accident only, credit, dental, vision, Medicare supplement,
 7 long term care, or disability income insurance.

8 (2) Coverage issued as a supplement to liability insurance.

9 (3) Automobile medical payment insurance.

10 (4) A specified disease policy.

11 (5) A short term insurance plan that:

12 (A) may not be renewed; ~~and~~

13 (B) has a duration of not more than ~~six (6)~~ **twelve (12)**
 14 **months; and**

15 **(C) has a minimum benefit per year of at least two million**
 16 **dollars (\$2,000,000).**

17 (6) A policy that provides indemnity benefits not based on any
 18 expense incurred requirement, including a plan that provides
 19 coverage for:

20 (A) hospital confinement, critical illness, or intensive care; or

21 (B) gaps for deductibles or copayments.

22 (7) Worker's compensation or similar insurance.

23 (8) A student health plan.

24 (9) A supplemental plan that always pays in addition to other
 25 coverage.

26 (10) An employer sponsored health benefit plan that is:

27 (A) provided to individuals who are eligible for Medicare; and

28 (B) not marketed as, or held out to be, a Medicare supplement
 29 policy.

30 (b) As used in this section, "insured" means a child or an individual
 31 with a disability who is entitled to coverage under an accident and
 32 sickness insurance policy.

33 (c) As used in this section, "child" means an individual who is less
 34 than nineteen (19) years of age.

35 (d) As used in this section, "individual with a disability" means an
 36 individual:

37 (1) with a physical or mental impairment that substantially limits
 38 one (1) or more of the major life activities of the individual; and

39 (2) who:

40 (A) has a record of; or

41 (B) is regarded as;

42 having an impairment described in subdivision (1).



1 (e) A policy of accident and sickness insurance must include
 2 coverage for anesthesia and hospital charges for dental care for an
 3 insured if the mental or physical condition of the insured requires
 4 dental treatment to be rendered in a hospital or an ambulatory
 5 outpatient surgical center. The Indications for General Anesthesia, as
 6 published in the reference manual of the American Academy of
 7 Pediatric Dentistry, are the utilization standards for determining
 8 whether performing dental procedures necessary to treat the insured's
 9 condition under general anesthesia constitutes appropriate treatment.

10 (f) An insurer that issues a policy of accident and sickness insurance
 11 may:

12 (1) require prior authorization for hospitalization or treatment in
 13 an ambulatory outpatient surgical center for dental care
 14 procedures in the same manner that prior authorization is required
 15 for hospitalization or treatment of other covered medical
 16 conditions; and

17 (2) restrict coverage to include only procedures performed by a
 18 licensed dentist who has privileges at the hospital or ambulatory
 19 outpatient surgical center.

20 (g) This section does not apply to treatment rendered for temporal
 21 mandibular joint disorders (TMJ).

22 SECTION 5. IC 27-8-5.6-1, AS AMENDED BY P.L.86-2018,
 23 SECTION 207, IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE JULY 1, 2019]: Sec. 1. (a) As used in this chapter, the
 25 term "accident and sickness insurance" means any policy or contract
 26 covering one (1) or more of the kinds of insurance described in classes
 27 1(b) or 2(a) of IC 27-1-5-1, as governed by IC 27-8-5.

28 (b) The term does not include the following:

29 (1) Accident only, credit, dental, vision, Medicare supplement,
 30 long term care, or disability income insurance.

31 (2) Coverage issued as a supplement to liability insurance.

32 (3) Worker's compensation or similar insurance.

33 (4) Automobile medical payment insurance.

34 (5) A specified disease policy.

35 (6) A short term insurance plan that:

36 (A) may not be renewed; ~~and~~

37 (B) has a duration of not more than ~~six (6)~~ **twelve (12)**
 38 months; **and**

39 **(C) has a minimum benefit per year of at least two million**
 40 **dollars (\$2,000,000).**

41 (7) A policy that provides indemnity benefits not based on any
 42 expense incurred requirement, including a plan that provides



- 1 coverage for:
 2 (A) hospital confinement, critical illness, or intensive care; or
 3 (B) gaps for deductibles or copayments.
 4 (8) A supplemental plan that always pays in addition to other
 5 coverage.
 6 (9) A student health plan.
 7 (10) An employer sponsored health benefit plan that is:
 8 (A) provided to individuals who are eligible for Medicare; and
 9 (B) not marketed as, or held out to be, a Medicare supplement
 10 policy.

11 SECTION 6. IC 27-8-5.8-1 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 1. As used in this
 13 chapter, "accident and sickness insurance policy" means an insurance
 14 policy that provides at least one (1) of the types of insurance described
 15 in IC 27-1-5-1, Classes 1(b) and 2(a), and is issued on a group basis.
 16 The term does not include the following:

- 17 (1) Accident only, credit, dental, vision, Medicare, Medicare
 18 supplement, long term care, or disability income insurance.
 19 (2) Coverage issued as a supplement to liability insurance.
 20 (3) Automobile medical payment insurance.
 21 (4) A specified disease policy.
 22 (5) A limited benefit health insurance policy.
 23 (6) A short term insurance plan that:
 24 (A) may not be renewed; ~~and~~
 25 (B) has a duration of not more than ~~six (6)~~ **twelve (12)**
 26 **months; and**
 27 **(C) has a minimum benefit per year of at least two million**
 28 **dollars (\$2,000,000).**
 29 (7) A policy that provides a stipulated daily, weekly, or monthly
 30 payment to an insured during hospital confinement, without
 31 regard to the actual expense of the confinement.
 32 (8) Worker's compensation or similar insurance.
 33 (9) A student health insurance policy.

34 SECTION 7. IC 27-8-5.9 IS ADDED TO THE INDIANA CODE
 35 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2019]:

37 **Chapter 5.9. Short Term Insurance Plan**

38 **Sec. 1. As used in this chapter, "covered individual" means an**
 39 **individual entitled to coverage under a short term insurance plan.**

40 **Sec. 2. As used in this chapter, "PPACA" has the meaning set**
 41 **forth in IC 27-19-2-14.**

42 **Sec. 3. As used in this chapter, "short term insurance plan"**



1 means a policy of accident and sickness insurance (as defined in
2 IC 27-8-5-1) that:

- 3 (1) may not be renewed;
4 (2) has a duration of not more than twelve (12) months; and
5 (3) has a minimum benefit per year of at least two million
6 dollars (\$2,000,000).

7 Sec. 4. A short term insurance plan shall include coverage for
8 the following, as provided under PPACA:

- 9 (1) Ambulatory patient services.
10 (2) Hospitalization.
11 (3) Emergency services.
12 (4) Laboratory services.

13 Sec. 5. (a) An insurer that issues a short term insurance plan
14 shall disclose to an applicant, in bold, ten point type, the following:

- 15 (1) That the short term insurance plan does not include
16 coverage for the essential health benefits required under
17 PPACA, other than the essential health benefits specified in
18 section 4 of this chapter.
19 (2) That the short term insurance plan does not provide the
20 coverage that is required under PPACA.
21 (3) That enrollment in health coverage that provides the
22 coverage that is required under PPACA may be done during
23 the next PPACA open enrollment period.
24 (4) The dates of the next PPACA open enrollment period
25 during which the applicant may enroll in coverage described
26 in subdivision (3).

27 (b) An insurer shall obtain the signature of an applicant to
28 whom the disclosures required by subsection (a) are made.

29 Sec. 6. An insurer that offers a short term insurance plan shall
30 offer at least one (1) short term insurance plan that meets the
31 following requirements:

- 32 (1) The insurer does not establish rules for eligibility,
33 including continued eligibility, of an individual to enroll under
34 the terms of the short term insurance plan based on any of the
35 following health status related factors in relation to the
36 individual or a dependent of the individual:
37 (A) Health status.
38 (B) Physical or mental medical condition.
39 (C) Claims experience.
40 (D) Receipt of health care.
41 (E) Medical history.
42 (F) Genetic information.



- 1 **(G) Evidence of insurability (including conditions arising**
- 2 **out of acts of domestic violence).**
- 3 **(H) Disability.**
- 4 **(I) Any other health status related factor determined**
- 5 **appropriate by the commissioner.**
- 6 **(2) The insurer does not impose a preexisting condition**
- 7 **exclusion or limitation on coverage under the short term**
- 8 **insurance plan.**
- 9 **(3) The short term insurance plan must continue in force at**
- 10 **the option of the policyholder.**
- 11 **(4) The insurer may terminate the short term insurance plan**
- 12 **based only on one (1) or more of the following:**
- 13 **(A) The policyholder fails to pay premiums in accordance**
- 14 **with the terms of the short term insurance plan.**
- 15 **(B) The policyholder has performed an act that constitutes**
- 16 **fraud or intentional misrepresentation of a material fact**
- 17 **under the terms of the short term insurance plan.**
- 18 **(5) The insurer may vary the premium rate for coverage**
- 19 **under the short term insurance plan based only on the**
- 20 **following:**
- 21 **(A) Whether the short term insurance plan covers an**
- 22 **individual or a family. (In the case of a family, the**
- 23 **premium rate variation must be applied based on the part**
- 24 **of the premium attributable to each individual covered**
- 25 **under the short term insurance plan.)**
- 26 **(B) The rating area:**
- 27 **(i) established by the commissioner; and**
- 28 **(ii) in which the short term insurance plan is issued.**
- 29 **(C) The age of each covered individual.**
- 30 **(D) Tobacco use.**

31 **Sec. 7. An insurer shall not, as a condition of enrollment or**

32 **continued enrollment in a short term insurance plan, require an**

33 **individual to pay a premium or contribution greater than the**

34 **premium or contribution for a similarly situated individual**

35 **enrolled in the short term insurance plan on the basis of a health**

36 **status related factor in relation to the individual or a dependent of**

37 **the individual.**

38 **Sec. 8. This chapter does not prevent an insurer from**

39 **establishing a premium discount, rebate, or out-of-pocket payment**

40 **modifications in return for adherence to programs of health**

41 **promotion and disease prevention.**

42 SECTION 8. IC 27-8-6-6, AS ADDED BY P.L.133-2011,



1 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2019]: Sec. 6. (a) As used in this section, "policy of accident
3 and sickness insurance" has the meaning set forth in IC 27-8-5-1.

4 However, the term does not include the following:

5 (1) Accident only, credit, dental, vision, Medicare supplement,
6 long term care, or disability income insurance.

7 (2) Coverage issued as a supplement to liability insurance.

8 (3) Automobile medical payment insurance.

9 (4) A specified disease policy.

10 (5) A short term insurance plan that:

11 (A) may not be renewed; ~~and~~

12 (B) has a duration of not more than ~~six (6)~~ **twelve (12)**
13 **months; and**

14 **(C) has a minimum benefit per year of at least two million**
15 **dollars (\$2,000,000).**

16 (6) A policy that provides indemnity benefits not based on any
17 expense incurred requirement, including a plan that provides
18 coverage for:

19 (A) hospital confinement, critical illness, or intensive care; or

20 (B) gaps for deductibles or copayments.

21 (7) A supplemental plan that always pays in addition to other
22 coverage.

23 (b) A policy of accident and sickness insurance that provides
24 coverage for physical medicine and rehabilitative services shall provide
25 the coverage for physical medicine and rehabilitative services that are:

26 (1) rendered by an athletic trainer who is licensed under
27 IC 25-5.1; and

28 (2) within the athletic trainer's scope of practice.

29 (c) This section does not require a policy of accident and sickness
30 insurance to provide coverage for physical medicine or rehabilitative
31 services generally.

32 SECTION 9. IC 27-8-13.4-1, AS ADDED BY P.L.124-2014,
33 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 2019]: Sec. 1. (a) As used in this chapter, "accident and
35 sickness insurance policy" means an insurance policy that:

36 (1) provides one (1) or more of the types of insurance described
37 in IC 27-1-5-1, Class 1(b) and Class 2(a); and

38 (2) is issued on a group or individual basis.

39 (b) As used in this chapter, "accident and sickness insurance policy"
40 does not include the following:

41 (1) Accident only, credit, dental, vision, Medicare supplement,
42 long term care, or disability income insurance.



- 1 (2) Coverage issued as a supplement to liability insurance.
- 2 (3) Worker's compensation or similar insurance.
- 3 (4) Automobile medical payment insurance.
- 4 (5) A specified disease policy.
- 5 (6) A short term insurance plan that:
- 6 (A) may not be renewed; ~~and~~
- 7 (B) has a duration of not more than ~~six (6)~~ **twelve (12)**
- 8 months; **and**
- 9 **(C) has a minimum benefit per year of at least two million**
- 10 **dollars (\$2,000,000).**
- 11 (7) A policy that provides indemnity benefits not based on any
- 12 expense incurred requirement, including a plan that provides
- 13 coverage for:
- 14 (A) hospital confinement, critical illness, or intensive care; or
- 15 (B) gaps for deductibles or copayments.
- 16 (8) A supplemental plan that always pays in addition to other
- 17 coverage.
- 18 (9) An employer sponsored health benefit plan that is:
- 19 (A) provided to individuals who are eligible for Medicare; and
- 20 (B) not marketed as, or held out to be, a Medicare supplement
- 21 policy.
- 22 SECTION 10. IC 27-8-13.5-4, AS ADDED BY P.L.126-2013,
- 23 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 24 JULY 1, 2019]: Sec. 4. As used in this chapter, "policy of accident and
- 25 sickness insurance" has the meaning set forth in IC 27-8-5-1. The term
- 26 does not include the following:
- 27 (1) Accident only, credit, dental, vision, Medicare supplement,
- 28 long term care, or disability income insurance.
- 29 (2) Coverage issued as a supplement to liability insurance.
- 30 (3) Automobile medical payment insurance.
- 31 (4) A specified disease policy.
- 32 (5) A short term insurance plan that:
- 33 (A) may not be renewed; ~~and~~
- 34 (B) has a duration of not more than ~~six (6)~~ **twelve (12)**
- 35 months; **and**
- 36 **(C) has a minimum benefit per year of at least two million**
- 37 **dollars (\$2,000,000).**
- 38 (6) A policy that provides indemnity benefits not based on any
- 39 expense incurred requirement, including a plan that provides
- 40 coverage for:
- 41 (A) hospital confinement, critical illness, or intensive care; or
- 42 (B) gaps for deductibles or copayments.



- 1 (7) Worker's compensation or similar insurance.
- 2 (8) A student health plan.
- 3 (9) A supplemental plan that always pays in addition to other
- 4 coverage.
- 5 (10) An employer sponsored health benefit plan that is:
- 6 (A) provided to individuals who are eligible for Medicare; and
- 7 (B) not marketed as, or held out to be, a Medicare supplement
- 8 policy.
- 9 SECTION 11. IC 27-8-14-1, AS AMENDED BY P.L.173-2007,
- 10 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 11 JULY 1, 2019]: Sec. 1. (a) As used in this chapter, "accident and
- 12 sickness insurance policy" means an insurance policy that:
- 13 (1) provides one (1) or more of the types of insurance described
- 14 in IC 27-1-5-1, classes 1(b) and 2(a); and
- 15 (2) is issued on a group basis.
- 16 (b) The term does not include the following:
- 17 (1) Accident only, credit, dental, vision, Medicare supplement,
- 18 long term care, or disability income insurance.
- 19 (2) Coverage issued as a supplement to liability insurance.
- 20 (3) Worker's compensation or similar insurance.
- 21 (4) Automobile medical payment insurance.
- 22 (5) A specified disease policy.
- 23 (6) A short term insurance plan that:
- 24 (A) may not be renewed; ~~and~~
- 25 (B) has a duration of not more than ~~six (6)~~ **twelve (12)**
- 26 **months; and**
- 27 **(C) has a minimum benefit per year of at least two million**
- 28 **dollars (\$2,000,000).**
- 29 (7) A policy that provides indemnity benefits not based on any
- 30 expense incurred requirement, including a plan that provides
- 31 coverage for:
- 32 (A) hospital confinement, critical illness, or intensive care; or
- 33 (B) gaps for deductibles or copayments.
- 34 (8) A supplemental plan that always pays in addition to other
- 35 coverage.
- 36 (9) A student health plan.
- 37 (10) An employer sponsored health benefit plan that is:
- 38 (A) provided to individuals who are eligible for Medicare; and
- 39 (B) not marketed as, or held out to be, a Medicare supplement
- 40 policy.
- 41 SECTION 12. IC 27-8-14.1-1, AS AMENDED BY P.L.173-2007,
- 42 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2019]: Sec. 1. (a) As used in this chapter, "accident and
2 sickness insurance policy" means an insurance policy that:

3 (1) provides one (1) or more of the types of insurance described
4 in IC 27-1-5-1, classes 1(b) and 2(a); and

5 (2) is issued on a group basis.

6 (b) As used in this chapter, "accident and sickness insurance policy"
7 does not include the following:

8 (1) Accident only, credit, dental, vision, Medicare supplement,
9 long term care, or disability income insurance.

10 (2) Coverage issued as a supplement to liability insurance.

11 (3) Worker's compensation or similar insurance.

12 (4) Automobile medical payment insurance.

13 (5) A specified disease policy.

14 (6) A short term insurance plan that:

15 (A) may not be renewed; ~~and~~

16 (B) has a duration of not more than ~~six (6)~~ **twelve (12)**
17 months; **and**

18 **(C) has a minimum benefit per year of at least two million**
19 **dollars (\$2,000,000).**

20 (7) A policy that provides indemnity benefits not based on any
21 expense incurred requirement, including a plan that provides
22 coverage for:

23 (A) hospital confinement, critical illness, or intensive care; or

24 (B) gaps for deductibles or copayments.

25 (8) A supplemental plan that always pays in addition to other
26 coverage.

27 (9) A student health plan.

28 (10) An employer sponsored health benefit plan that is:

29 (A) provided to individuals who are eligible for Medicare; and

30 (B) not marketed as, or held out to be, a Medicare supplement
31 policy.

32 SECTION 13. IC 27-8-14.2-1, AS AMENDED BY P.L.173-2007,
33 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 2019]: Sec. 1. (a) As used in this chapter, "accident and
35 sickness insurance policy" means an insurance policy that provides one
36 (1) or more of the types of insurance described in IC 27-1-5-1, classes
37 1(b) and 2(a).

38 (b) The term does not include the following:

39 (1) Accident only, credit, dental, vision, Medicare supplement,
40 long term care, or disability income insurance.

41 (2) Coverage issued as a supplement to liability insurance.

42 (3) Worker's compensation or similar insurance.



- 1 (4) Automobile medical payment insurance.
- 2 (5) A specified disease policy.
- 3 (6) A short term insurance plan that:
- 4 (A) may not be renewed; ~~and~~
- 5 (B) has a duration of not more than ~~six (6)~~ **twelve (12)**
- 6 **months; and**
- 7 **(C) has a minimum benefit per year of at least two million**
- 8 **dollars (\$2,000,000).**
- 9 (7) A policy that provides indemnity benefits not based on any
- 10 expense incurred requirement, including a plan that provides
- 11 coverage for:
- 12 (A) hospital confinement, critical illness, or intensive care; or
- 13 (B) gaps for deductibles or copayments.
- 14 (8) A supplemental plan that always pays in addition to other
- 15 coverage.
- 16 (9) A student health plan.
- 17 (10) An employer sponsored health benefit plan that is:
- 18 (A) provided to individuals who are eligible for Medicare; and
- 19 (B) not marketed as, or held out to be, a Medicare supplement
- 20 policy.
- 21 SECTION 14. IC 27-8-14.5-1, AS AMENDED BY P.L.173-2007,
- 22 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 23 JULY 1, 2019]: Sec. 1. (a) As used in this chapter, "health insurance
- 24 plan" means any:
- 25 (1) hospital or medical expense incurred policy or certificate;
- 26 (2) hospital or medical service plan contract; or
- 27 (3) health maintenance organization subscriber contract;
- 28 provided to an insured.
- 29 (b) The term does not include the following:
- 30 (1) Accident only, credit, dental, vision, Medicare supplement,
- 31 long term care, or disability income insurance.
- 32 (2) Coverage issued as a supplement to liability insurance.
- 33 (3) Worker's compensation or similar insurance.
- 34 (4) Automobile medical payment insurance.
- 35 (5) A specified disease policy.
- 36 (6) A short term insurance plan that:
- 37 (A) may not be renewed; ~~and~~
- 38 (B) has a duration of not more than ~~six (6)~~ **twelve (12)**
- 39 **months; and**
- 40 **(C) has a minimum benefit per year of at least two million**
- 41 **dollars (\$2,000,000).**
- 42 (7) A policy that provides indemnity benefits not based on any



- 1 expense incurred requirement, including a plan that provides
 2 coverage for:
- 3 (A) hospital confinement, critical illness, or intensive care; or
 - 4 (B) gaps for deductibles or copayments.
- 5 (8) A supplemental plan that always pays in addition to other
 6 coverage.
- 7 (9) A student health plan.
- 8 (10) An employer sponsored health benefit plan that is:
- 9 (A) provided to individuals who are eligible for Medicare; and
 - 10 (B) not marketed as, or held out to be, a Medicare supplement
 11 policy.
- 12 SECTION 15. IC 27-8-14.7-1, AS AMENDED BY P.L.173-2007,
 13 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2019]: Sec. 1. (a) As used in this chapter, "accident and
 15 sickness insurance policy" means an insurance policy that:
- 16 (1) provides at least one (1) of the types of insurance described in
 17 IC 27-1-5-1, Classes 1(b) and 2(a); and
 - 18 (2) is issued on a group basis.
- 19 (b) "Accident and sickness insurance policy" does not include the
 20 following:
- 21 (1) Accident only, credit, dental, vision, Medicare supplement,
 22 long term care, or disability income insurance.
 - 23 (2) Coverage issued as a supplement to liability insurance.
 - 24 (3) Worker's compensation or similar insurance.
 - 25 (4) Automobile medical payment insurance.
 - 26 (5) A specified disease policy.
 - 27 (6) A short term insurance plan that:
 - 28 (A) may not be renewed; ~~and~~
 - 29 (B) has a duration of not more than ~~six (6)~~ **twelve (12)**
 30 months; **and**
 - 31 **(C) has a minimum benefit per year of at least two million**
 32 **dollars (\$2,000,000).** - 33 (7) A policy that provides indemnity benefits not based on any
 34 expense incurred requirement, including a plan that provides
 35 coverage for:
 - 36 (A) hospital confinement, critical illness, or intensive care; or
 - 37 (B) gaps for deductibles or copayments.
 - 38 (8) A supplemental plan that always pays in addition to other
 39 coverage.
 - 40 (9) A student health plan.
 - 41 (10) An employer sponsored health benefit plan that is:
 - 42 (A) provided to individuals who are eligible for Medicare; and



1 (B) not marketed as, or held out to be, a Medicare supplement
 2 policy.
 3 SECTION 16. IC 27-8-14.8-1, AS AMENDED BY P.L.173-2007,
 4 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2019]: Sec. 1. (a) As used in this chapter, "accident and
 6 sickness insurance policy" means an insurance policy that:
 7 (1) provides at least one (1) of the types of insurance described in
 8 IC 27-1-5-1, Classes 1(b) and 2(a); and
 9 (2) is issued on a group basis.
 10 (b) "Accident and sickness insurance policy" does not include the
 11 following:
 12 (1) Accident only, credit, dental, vision, Medicare supplement,
 13 long term care, or disability income insurance.
 14 (2) Coverage issued as a supplement to liability insurance.
 15 (3) Worker's compensation or similar insurance.
 16 (4) Automobile medical payment insurance.
 17 (5) A specified disease policy.
 18 (6) A short term insurance plan that:
 19 (A) may not be renewed; ~~and~~
 20 (B) has a duration of not more than ~~six (6)~~ **twelve (12)**
 21 **months; and**
 22 **(C) has a minimum benefit per year of at least two million**
 23 **dollars (\$2,000,000).**
 24 (7) A policy that provides indemnity benefits not based on any
 25 expense incurred requirement, including a plan that provides
 26 coverage for:
 27 (A) hospital confinement, critical illness, or intensive care; or
 28 (B) gaps for deductibles or copayments.
 29 (8) A supplemental plan that always pays in addition to other
 30 coverage.
 31 (9) A student health plan.
 32 (10) An employer sponsored health benefit plan that is:
 33 (A) provided to individuals who are eligible for Medicare; and
 34 (B) not marketed as, or held out to be, a Medicare supplement
 35 policy.
 36 SECTION 17. IC 27-8-15-9, AS AMENDED BY P.L.11-2011,
 37 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2019]: Sec. 9. (a) Except as provided in section 28 of this
 39 chapter, as used in this chapter, "health insurance plan" or "plan"
 40 means any:
 41 (1) hospital or medical expense incurred policy or certificate;
 42 (2) hospital or medical service plan contract; or



- 1 (3) health maintenance organization subscriber contract;
 2 provided to the employees of a small employer.
- 3 (b) The term does not include the following:
- 4 (1) Accident-only, credit, dental, vision, Medicare supplement,
 5 long term care, or disability income insurance.
- 6 (2) Coverage issued as a supplement to liability insurance.
- 7 (3) Worker's compensation or similar insurance.
- 8 (4) Automobile medical payment insurance.
- 9 (5) A specified disease policy.
- 10 (6) A short term insurance plan that:
- 11 (A) may not be renewed; ~~and~~
- 12 (B) has a duration of not more than ~~six (6)~~ **twelve (12)**
 13 **months; and**
- 14 **(C) has a minimum benefit per year of at least two million**
 15 **dollars (\$2,000,000).**
- 16 (7) A policy that provides indemnity benefits not based on any
 17 expense incurred requirement, including a plan that provides
 18 coverage for:
- 19 (A) hospital confinement, critical illness, or intensive care; or
 20 (B) gaps for deductibles or copayments.
- 21 (8) A supplemental plan that always pays in addition to other
 22 coverage.
- 23 (9) A student health plan.
- 24 (10) An employer sponsored health benefit plan that is:
- 25 (A) provided to individuals who are eligible for Medicare; and
 26 (B) not marketed as, or held out to be, a Medicare supplement
 27 policy.
- 28 SECTION 18. IC 27-8-24.1-1, AS AMENDED BY P.L.173-2007,
 29 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2019]: Sec. 1. (a) As used in this chapter, "accident and
 31 sickness insurance policy" means an insurance policy that provides at
 32 least one (1) of the types of insurance described in IC 27-1-5-1, Classes
 33 1(b) and 2(a), and is issued on a group basis.
- 34 (b) The term does not include the following:
- 35 (1) Accident only, credit, dental, vision, Medicare supplement,
 36 long term care, or disability income insurance.
- 37 (2) Coverage issued as a supplement to liability insurance.
- 38 (3) Worker's compensation or similar insurance.
- 39 (4) Automobile medical payment insurance.
- 40 (5) A specified disease policy.
- 41 (6) A short term insurance plan that:
- 42 (A) may not be renewed; ~~and~~



- 1 (B) has a duration of not more than ~~six (6)~~ **twelve (12)**
- 2 months; **and**
- 3 **(C) has a minimum benefit per year of at least two million**
- 4 **dollars (\$2,000,000).**
- 5 (7) A policy that provides indemnity benefits not based on any
- 6 expense incurred requirement, including a plan that provides
- 7 coverage for:
- 8 (A) hospital confinement, critical illness, or intensive care; or
- 9 (B) gaps for deductibles or copayments.
- 10 (8) A supplemental plan that always pays in addition to other
- 11 coverage.
- 12 (9) A student health plan.
- 13 (10) An employer sponsored health benefit plan that is:
- 14 (A) provided to individuals who are eligible for Medicare; and
- 15 (B) not marketed as, or held out to be, a Medicare supplement
- 16 policy.

17 SECTION 19. IC 27-8-24.2-3, AS ADDED BY P.L.109-2008,
 18 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2019]: Sec. 3. (a) As used in this chapter, "policy of accident
 20 and sickness insurance" has the meaning set forth in IC 27-8-5-1.

- 21 (b) The term does not include the following:
- 22 (1) Accident only, credit, dental, vision, Medicare, Medicare
- 23 supplement, long term care, or disability income insurance.
- 24 (2) Coverage issued as a supplement to liability insurance.
- 25 (3) Automobile medical payment insurance.
- 26 (4) A specified disease policy.
- 27 (5) A limited benefit health insurance policy.
- 28 (6) A short term insurance plan that:
- 29 (A) may not be renewed; **and**
- 30 (B) has a duration of not more than ~~six (6)~~ **twelve (12)**
- 31 months; **and**
- 32 **(C) has a minimum benefit per year of at least two million**
- 33 **dollars (\$2,000,000).**
- 34 (7) A policy that provides a stipulated daily, weekly, or monthly
- 35 payment to an insured during hospital confinement, without
- 36 regard to the actual expense of the confinement.
- 37 (8) Worker's compensation or similar insurance.
- 38 (9) A student health insurance policy.

39 SECTION 20. IC 27-8-27-4 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 4. (a) For purposes of
 41 this chapter, "health insurance plan" means any:

- 42 (1) hospital or medical expense incurred policy or certificate;



- 1 (2) hospital or medical service plan contract; or
- 2 (3) health maintenance organization subscriber contract;
- 3 provided to an insured.
- 4 (b) The term does not include the following:
- 5 (1) Accident-only, credit, dental, Medicare supplement, long term
- 6 care, or disability income insurance.
- 7 (2) Coverage issued as a supplement to liability insurance.
- 8 (3) Worker's compensation or similar insurance.
- 9 (4) Automobile medical payment insurance.
- 10 (5) A specified disease policy issued as an individual policy.
- 11 (6) A limited benefit health insurance plan issued as an individual
- 12 policy.
- 13 (7) A short term insurance plan that:
- 14 (A) may not be renewed; ~~and~~
- 15 (B) has a duration of not more than ~~six (6)~~ **twelve (12)**
- 16 months; ~~and~~
- 17 **(C) has a minimum benefit per year of at least two million**
- 18 **dollars (\$2,000,000).**
- 19 (8) A policy that provides a stipulated daily, weekly, or monthly
- 20 payment to an insured during hospital confinement, without
- 21 regard to the actual expense of the confinement.
- 22 SECTION 21. IC 27-8-28-1 IS AMENDED TO READ AS
- 23 FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 1. (a) As used in this
- 24 chapter, "accident and sickness insurance policy" means an insurance
- 25 policy that provides one (1) or more of the kinds of insurance described
- 26 in Class 1(b) and 2(a) of IC 27-1-5-1.
- 27 (b) The term does not include the following:
- 28 (1) Accident only, credit, dental, vision, Medicare supplement,
- 29 long term care, or disability income insurance.
- 30 (2) Coverage issued as a supplement to liability insurance.
- 31 (3) Automobile medical payment insurance.
- 32 (4) A specified disease policy issued as an individual policy.
- 33 (5) A limited benefit health insurance policy issued as an
- 34 individual policy.
- 35 (6) A short term insurance plan that:
- 36 (A) may not be renewed; ~~and~~
- 37 (B) has a duration of not more than ~~six (6)~~ **twelve (12)**
- 38 months; ~~and~~
- 39 **(C) has a minimum benefit per year of at least two million**
- 40 **dollars (\$2,000,000).**
- 41 (7) A policy that provides a stipulated daily, weekly, or monthly
- 42 payment to an insured during hospital confinement without regard



- 1 to the actual expense of the confinement.
- 2 (8) Worker's compensation or similar insurance.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, to which was referred House Bill 1631, 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:

Page 2, line 4, reset in roman "not".

Page 2, line 4, delete "two (2) times;" and insert ";".

Page 2, line 7, delete "maximum" and insert "**minimum**".

Page 2, line 23, reset in roman "not".

Page 2, line 23, delete "two (2) times;" and insert ";".

Page 2, line 26, delete "maximum" and insert "**minimum**".

Page 4, line 8, reset in roman "not".

Page 4, line 8, delete "two (2) times;" and insert ";".

Page 4, line 11, delete "maximum" and insert "**minimum**".

Page 5, line 12, reset in roman "not".

Page 5, line 12, delete "two (2) times;" and insert ";".

Page 5, line 15, delete "maximum" and insert "**minimum**".

Page 6, line 36, reset in roman "not".

Page 6, line 36, delete "two (2) times;" and insert ";".

Page 6, line 39, delete "maximum" and insert "**minimum**".

Page 7, line 24, reset in roman "not".

Page 7, line 24, delete "two (2) times;" and insert ";".

Page 7, line 27, delete "maximum" and insert "**minimum**".

Page 7, line 40, after "2." insert "**As used in this chapter, "PPACA" has the meaning set forth in IC 27-19-2-14.**

Sec. 3."

Page 8, line 1, after "may" insert "**not**".

Page 8, line 1, delete "two (2) times;" and insert ";".

Page 8, line 3, delete "maximum" and insert "**minimum**".

Page 8, line 5, delete "3." and insert "**4. A short term insurance plan shall include coverage for the following, as provided under PPACA:**

(1) Ambulatory patient services.

(2) Hospitalization.

(3) Emergency services.

(4) Laboratory services.

Sec. 5. (a) An insurer that issues a short term insurance plan shall disclose to an applicant, in bold, ten point type, the following:

(1) That the short term insurance plan does not include coverage for the essential health benefits required under PPACA, other than the essential health benefits specified in



section 4 of this chapter.

(2) That the short term insurance plan does not provide the coverage that is required under PPACA.

(3) That enrollment in health coverage that provides the coverage that is required under PPACA may be done during the next PPACA open enrollment period.

(4) The dates of the next PPACA open enrollment period during which the applicant may enroll in coverage described in subdivision (3).

(b) An insurer shall obtain the signature of an applicant to whom the disclosures required by subsection (a) are made.

Sec. 6."

Page 8, delete lines 27 through 31, begin a new line block indented and insert:

"(3) The short term insurance plan must continue in force at the option of the policyholder."

Page 8, line 32, delete "or refuse to renew".

Page 9, line 11, delete "4." and insert "7."

Page 9, line 18, delete "5." and insert "8."

Page 9, line 18, delete "section" and insert "**chapter**".

Page 9, line 33, reset in roman "not".

Page 9, line 33, delete "two (2) times;" and insert ";"

Page 9, line 36, delete "maximum" and insert "**minimum**".

Page 10, line 28, reset in roman "not".

Page 10, line 28, delete "two (2) times;" and insert ";"

Page 10, line 31, delete "maximum" and insert "**minimum**".

Page 11, line 13, reset in roman "not".

Page 11, line 13, delete "two (2) times;" and insert ";"

Page 11, line 16, delete "maximum" and insert "**minimum**".

Page 12, line 4, reset in roman "not".

Page 12, line 4, delete "two (2) times;" and insert ";"

Page 12, line 7, delete "maximum" and insert "**minimum**".

Page 12, line 37, reset in roman "not".

Page 12, line 37, delete "two (2) times;" and insert ";"

Page 12, line 40, delete "maximum" and insert "**minimum**".

Page 13, line 26, reset in roman "not".

Page 13, line 26, delete "two (2) times;" and insert ";"

Page 13, line 29, delete "maximum" and insert "**minimum**".

Page 14, line 17, reset in roman "not".

Page 14, line 17, delete "two (2) times;" and insert ";"

Page 14, line 20, delete "maximum" and insert "**minimum**".

Page 15, line 8, reset in roman "not".



Page 15, line 8, delete "two (2) times;" and insert ";
 Page 15, line 11, delete "maximum" and insert "**minimum**".
 Page 15, line 41, reset in roman "not".
 Page 15, line 41, delete "two (2) times;" and insert ";
 Page 16, line 2, delete "maximum" and insert "**minimum**".
 Page 16, line 33, reset in roman "not".
 Page 16, line 33, delete "two (2) times;" and insert ";
 Page 16, line 36, delete "maximum" and insert "**minimum**".
 Page 17, line 22, reset in roman "not".
 Page 17, line 22, delete "two (2) times;" and insert ";
 Page 17, line 25, delete "maximum" and insert "**minimum**".
 Page 18, line 9, reset in roman "not".
 Page 18, line 9, delete "two (2) times;" and insert ";
 Page 18, line 12, delete "maximum" and insert "**minimum**".
 Page 18, line 36, reset in roman "not".
 Page 18, line 36, delete "two (2) times;" and insert ";
 Page 18, line 39, delete "maximum" and insert "**minimum**".
 Page 19, line 16, reset in roman "not".
 Page 19, line 16, delete "two (2) times;" and insert ";
 Page 19, line 19, delete "maximum" and insert "**minimum**".

and when so amended that said bill do pass.

(Reference is to HB 1631 as introduced.)

CARBAUGH

Committee Vote: yeas 11, nays 0.

