

# HOUSE BILL No. 1490

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 27-1-2.1.

**Synopsis:** Health care sharing ministries. Requires a health care sharing ministry to hold a current certificate of registration, issued by the department of insurance, to conduct business in Indiana. Establishes a registration and renewal process for health care sharing ministries.

**Effective:** July 1, 2021.

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January 14, 2021, read first time and referred to Committee on Financial Institutions and Insurance.

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First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

# HOUSE BILL No. 1490

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 27-1-2.1-1, AS ADDED BY P.L.13-2012,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2021]: Sec. 1. (a) As used in this chapter, "health care sharing  
4 ministry" means a nonprofit organization that:  
5 (1) is comprised only of participants who share similar and  
6 sincerely held religious beliefs;  
7 (2) is tax exempt under Section 501(c)(3) of the Internal Revenue  
8 Code;  
9 (3) acts as a facilitator among participants who have financial or  
10 medical needs that are qualified in accordance with the  
11 organization's criteria, matching those participants with other  
12 participants who have the present ability to assist with financial  
13 or medical needs;  
14 (4) provides for the financial or medical needs of a participant  
15 through contributions from one (1) participant to another  
16 participant;  
17 (5) provides information about amounts that participants, with no



1 assumption of risk or promise to pay, may contribute for  
 2 distribution:  
 3 (A) among the participants; or  
 4 (B) by the organization to participants; **and**  
 5 (6) provides a written monthly statement to all participants that  
 6 specifies:  
 7 (A) the total dollar amount of qualified needs submitted to the  
 8 organization; and  
 9 (B) the amount actually published or assigned to participants  
 10 for their contribution. **and**  
 11 ~~(7) includes the following statement, in writing, on or~~  
 12 ~~accompanying all applications and guideline materials:~~  
 13 "Notice: The organization facilitating the sharing of medical  
 14 expenses is not an insurance company, and neither its  
 15 guidelines nor its plan of operation is an insurance policy. Any  
 16 assistance you receive with your medical bills will be totally  
 17 voluntary. Neither the organization nor any other participant  
 18 can be compelled by law to contribute toward your medical  
 19 bills. As such, participation in the organization or a  
 20 subscription to any of its documents should never be  
 21 considered to be insurance. Whether or not you receive any  
 22 payments for medical expenses and whether or not this  
 23 organization continues to operate, you are always personally  
 24 responsible for the payment of your own medical bills."  
 25 (b) The term does not include a fraternal benefit society described  
 26 in IC 27-11-1-1.  
 27 SECTION 2. IC 27-1-2.1-3 IS ADDED TO THE INDIANA CODE  
 28 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 29 1, 2021]: **Sec. 3. A health care sharing ministry must provide a**  
 30 **written disclaimer on or accompanying all application forms,**  
 31 **marketing materials, and guideline materials distributed by or on**  
 32 **behalf of the health care sharing ministry that states the following:**  
 33 **"NOTICE: The organization facilitating the sharing of**  
 34 **medical expenses is not an insurance company, and neither its**  
 35 **guidelines nor plan of operation constitute an insurance**  
 36 **policy. Without health care insurance, there is no guarantee**  
 37 **that you, a fellow participant, or any other person who was a**  
 38 **party to the health care ministry agreement will be protected**  
 39 **in the event of illness or emergency. Regardless of whether**  
 40 **you receive any payment for medical expenses or whether this**  
 41 **organization terminates, withdraws from the faith based**  
 42 **agreement, or continues to operate, you are always personally**



1           **responsible for the payment of your own medical bills. If your**  
 2           **participation in such an organization ends, state law may**  
 3           **subject you to a waiting period before providing coverage.".**

4           SECTION 3. IC 27-1-2.1-4 IS ADDED TO THE INDIANA CODE  
 5           AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 6           1, 2021]: **Sec. 4. (a) A health care sharing ministry must hold a**  
 7           **current certificate of registration issued by the department to**  
 8           **operate in Indiana. To obtain a certificate of registration, a health**  
 9           **care sharing ministry must submit the following to the department:**

10           **(1) An application for registration on a form promulgated by**  
 11           **the insurance commissioner, which must include the**  
 12           **following:**

13           **(A) The name of the responsible director or manager of the**  
 14           **health care sharing ministry's plans.**

15           **(B) The contact address for the health care sharing**  
 16           **ministry.**

17           **(C) The contact phone number for the responsible director**  
 18           **or manager.**

19           **(2) A copy of the certification letter issued to the health care**  
 20           **sharing ministry by the federal Centers for Medicare and**  
 21           **Medicaid Services.**

22           **(3) A copy of the health care sharing ministry's current**  
 23           **annual audit required under 26 U.S.C. 5000A(d)(2)(B).**

24           **(4) A list of any third party vendors acting on behalf of the**  
 25           **health care sharing ministry for purposes of enrolling**  
 26           **members, negotiating with medical providers, or financial**  
 27           **sharing of members' medical needs.**

28           **(5) Copies of any application forms or ministry guidelines**  
 29           **used by the health care sharing ministry.**

30           **(6) A report on the health care sharing ministry's members**  
 31           **who are residents of Indiana as of the date of the application**  
 32           **for registration, which must include the following:**

33           **(A) The total number of enrolled members who are**  
 34           **residents of Indiana.**

35           **(B) A distribution of the enrolled members who are**  
 36           **residents of Indiana by age.**

37           **(C) A distribution of the enrolled members who are**  
 38           **residents of Indiana by sex.**

39           **(7) An application fee of one hundred dollars (\$100).**

40           **(b) The department must issue a certificate of registration to a**  
 41           **health care sharing ministry that submits an application for**  
 42           **registration that meets the requirements of subsection (a).**



1 SECTION 4. IC 27-1-2.1-5 IS ADDED TO THE INDIANA CODE  
 2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 3 1, 2021]: **Sec. 5. (a) A certificate of registration obtained under  
 4 section 4 of this chapter must be renewed on or before January 1  
 5 of each year by submitting the following to the department:**

6 (1) An application for renewal on a form promulgated by the  
 7 insurance commissioner.

8 (2) A copy of the health care sharing ministry's current  
 9 annual audit required under 26 U.S.C. 5000A(d)(2)(B).

10 (3) An updated list of any third party vendors acting on behalf  
 11 of the health care sharing ministry for purposes of enrolling  
 12 members, negotiating with medical providers, or financial  
 13 sharing of members' medical needs.

14 (4) Any current application forms or ministry guidelines that  
 15 are not presently on file with the department.

16 (5) A report on the health care sharing ministry's members  
 17 who are residents of Indiana as of the date of the application  
 18 for renewal, which must include the following:

19 (A) The total number of enrolled members who are  
 20 residents of Indiana.

21 (B) A distribution of the enrolled members who are  
 22 residents of Indiana by age.

23 (C) A distribution of the enrolled members who are  
 24 residents of Indiana by sex.

25 (6) A renewal fee of one hundred dollars (\$100).

26 (b) The department must renew the certificate of registration of  
 27 a health care sharing ministry that submits an application for  
 28 renewal that meets the requirements of subsection (a).

29 (c) A certificate of registration issued or renewed under this  
 30 chapter expires at midnight on December 31 of each year. The  
 31 insurance commissioner must send notice of the impending  
 32 expiration of a current certificate of registration not later than  
 33 thirty (30) days before the expiration of the current certificate of  
 34 registration.

35 (d) The insurance commissioner may renew a certificate of  
 36 registration which was inadvertently allowed to expire if the health  
 37 care sharing ministry makes a request not later than ninety (90)  
 38 days after the date of the certificate's expiration. To be granted a  
 39 renewal under this subsection, the health care sharing ministry  
 40 must pay a civil penalty to the department as follows:

41 (1) For a renewal requested one (1) to thirty (30) days after a  
 42 certificate's expiration, two hundred fifty dollars (\$250).



1           **(2) For a renewal requested thirty-one (31) to sixty (60) days**  
 2           **after a certificate's expiration, five hundred dollars (\$500).**

3           **(3) For a renewal requested sixty-one (61) to ninety (90) days**  
 4           **after a certificate's expiration, one thousand dollars (\$1,000).**

5           **(e) If a health care sharing ministry fails to obtain a renewal of**  
 6           **its certificate of registration under subsection (b) or (d), the health**  
 7           **care sharing ministry is prohibited from:**

8           **(1) reapplying for a certificate of registration for two (2)**  
 9           **years; and**

10           **(2) operating in Indiana until it obtains a new certificate of**  
 11           **registration.**

12           SECTION 5. IC 27-1-2.1-6 IS ADDED TO THE INDIANA CODE  
 13 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY  
 14 1, 2021]: **Sec. 6. The department shall post all information provided**  
 15 **by health care sharing ministries under sections 4 and 5 of this**  
 16 **chapter that is not considered proprietary or confidential on the**  
 17 **department's Internet web site. The information must be**  
 18 **prominently displayed and include an explanation of the**  
 19 **differences between health care sharing ministries and health**  
 20 **insurance.**

21           SECTION 6. IC 27-1-2.1-7 IS ADDED TO THE INDIANA CODE  
 22 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY  
 23 1, 2021]: **Sec. 7. A health care sharing ministry may not operate**  
 24 **under any name other than the name for which a certificate of**  
 25 **registration is issued or renewed under this chapter.**

26           SECTION 7. IC 27-1-2.1-8 IS ADDED TO THE INDIANA CODE  
 27 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY  
 28 1, 2021]: **Sec. 8. (a) A health care sharing ministry registered in**  
 29 **Indiana is subject to the anti-fraud provisions of the department.**

30           **(b) A purported health care sharing ministry operating in**  
 31 **Indiana without a current certificate of registration is subject to**  
 32 **the full authority of the department under IC 27-4-5 and the**  
 33 **attorney general under IC 23-17-24.**

34           SECTION 8. IC 27-1-2.1-9 IS ADDED TO THE INDIANA CODE  
 35 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY  
 36 1, 2021]: **Sec. 9. The department may adopt rules under IC 4-22-2**  
 37 **necessary to implement this chapter.**

