

# SENATE BILL No. 257

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 27-1-25.5.

**Synopsis:** Fiduciary duty in health plan administration. Provides that any third party administrator, pharmacy benefit manager, employee benefit consultant, or insurance producer acting on behalf of a plan sponsor owes a fiduciary duty to the plan sponsor.

**Effective:** July 1, 2024.

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January 16, 2024, read first time and referred to Committee on Health and Provider Services.

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Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

# SENATE BILL No. 257

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 27-1-25.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2024]:  
4 **Chapter 25.5. Fiduciary Duties**  
5 **Sec. 1. As used in this chapter, "employee benefit consultant"**  
6 **means a person who:**  
7 **(1) advises a plan sponsor about; and**  
8 **(2) assists a plan sponsor in establishing and administering;**  
9 **employee benefit programs.**  
10 **Sec. 2. As used in this chapter, "health insurance coverage"**  
11 **includes:**  
12 **(1) a group policy of accident and sickness insurance (as**  
13 **defined in IC 27-8-5-1);**  
14 **(2) a group contract (as defined in IC 27-13-1-16) that**  
15 **provides coverage for basic health care services (as defined in**  
16 **IC 27-13-1-4); and**  
17 **(3) any other group health plan that limits eligibility to**



1           **members of a specific group.**  
2           **The term includes coverage of a dependent of the covered**  
3           **individual under a group policy or contract described in**  
4           **subdivisions (1) through (3).**  
5           **Sec. 3. As used in this chapter, "insurance producer" has the**  
6           **meaning set forth in IC 27-1-15.6-2(9).**  
7           **Sec. 4. As used in this chapter, "insurer" means an insurer that**  
8           **provides health insurance coverage to a covered individual.**  
9           **Sec. 5. As used in this chapter, "pharmacy benefit manager" has**  
10           **the meaning set forth in IC 27-1-24.5-12.**  
11           **Sec. 6. As used in this chapter, "plan sponsor" means an**  
12           **employer or organization that offers health insurance coverage to**  
13           **its employees or members through an insurer or a self-funded**  
14           **health benefit plan.**  
15           **Sec. 7. Any:**  
16                   **(1) third party administrator;**  
17                   **(2) pharmacy benefit manager;**  
18                   **(3) employee benefit consultant; or**  
19                   **(4) insurance producer;**  
20           **acting on behalf of a plan sponsor owes a fiduciary duty to the plan**  
21           **sponsor.**

