

1 ENGROSSED HOUSE  
2 BILL NO. 3091

By: Tedford of the House

3  
4 and

Pemberton of the Senate

5  
6 An Act relating to insurance; amending 36 O.S. 2021,  
7 Section 902, which relates to excessive, inadequate,  
8 or unfairly discriminatory rates; modifying certain  
9 compliance burden; amending 36 O.S. 2021, Section  
10 908, which relates to penalties; clarifying  
11 applicability to rules and orders; modifying penalty;  
12 stipulating no penalty without hearing; amending 36  
13 O.S. 2021, Section 1106.1, as amended by Section 1,  
14 Chapter 154, O.S.L. 2022 (36 O.S. Supp. 2023, Section  
15 1106.1), which relates to exemption from due  
16 diligence search; modifying conditions requiring a  
17 due diligence search; amending 36 O.S. 2021, Section  
18 1107, which relates to required application and  
19 informational filings; requiring certain filings;  
20 clarifying method of filing; amending 36 O.S. 2021,  
21 Section 1114, which relates to surplus lines  
22 licensee's or broker's annual statement; clarifying  
23 method for filing; amending 36 O.S. 2021, Section  
24 1250.9, which relates to Unfair Claims Settlement  
Practices Act; modifying required information;  
amending 36 O.S. 2021, Section 1450, as amended by  
Section 1, Chapter 149, O.S.L. 2023 (36 O.S. Supp.  
2023, Section 1450), which relates to third-party  
administrator licensure; modifying licensing  
procedures; permitting Insurance Commissioner to deny  
or refuse to renew license in certain circumstances;  
amending 36 O.S. 2021, Section 1682, which relates to  
the Insurance Business Transfer Act; modifying  
district court approval; amending 36 O.S. 2021,  
Section 2122, which relates to domestic mutual and  
stock insurers; modifying definition; amending 36  
O.S. 2021, Section 6060.4, as amended by Section 2,  
Chapter 199, O.S.L. 2022 (36 O.S. Supp. 2023, Section  
6060.4), which relates to coverage for child  
immunization; modifying definition; and providing an  
effective date.

1  
2 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

3 SECTION 1. AMENDATORY 36 O.S. 2021, Section 902, is  
4 amended to read as follows:

5 Section 902. A. The Insurance Commissioner shall not approve  
6 rates for insurance which are excessive, inadequate, or unfairly  
7 discriminatory.

8 1. An excessive rate is one which:

- 9 a. is unreasonably high for the insurance provided, or
- 10 b. is unreasonable because (1) a reasonable degree of  
11 competition does not exist in the area with respect to  
12 the classification to which such rate is applicable  
13 and (2) the rate is unreasonably high for the  
14 insurance provided.

15 2. An inadequate rate is one which:

- 16 a. is (1) unreasonably low for the insurance provided and  
17 (2) the continued use of such rate endangers, or if  
18 continued would endanger, the solvency of the insurer,  
19 or
- 20 b. is (1) unreasonably low for the insurance provided and  
21 (2) the continued use of such rate by the insurer has,  
22 or if continued would have, the effect of destroying  
23 competition or creating a monopoly, or

24

1           c.    is insufficient to cover projected losses, expenses  
2                   and a reasonable margin for profit for the line of  
3                   insurance coverage to be offered in this state by the  
4                   filer.

5    3.   A rate shall not be unfairly discriminatory.

6           a.    A rate is not unfairly discriminatory because it is  
7                   based in part upon the establishment or modification  
8                   of classifications of risks based upon:

9                   (1)   the size of the risk,

10                  (2)   the expense or difficulty in management of the  
11                   risk,

12                  (3)   the individual experience of the risk,

13                  (4)   the location or dispersion of the risk, or

14                  (5)   any other reasonable consideration attributable  
15                   to the risk.

16           b.    A rate is not unfairly discriminatory in relation to  
17                   another in the same class of business if it reflects  
18                   equitably the differences in expected losses and  
19                   expenses.  Rates are not unfairly discriminatory  
20                   because different premiums result for policyholders  
21                   with like loss exposures but different expense  
22                   factors, or with like expense factors but different  
23                   loss exposures, if the rates reflect the differences  
24                   with reasonable accuracy.

1 c. A rate shall be deemed unfairly discriminatory as to a  
2 risk or group of risks if the application of premium  
3 discounts, credits, or surcharges among such risks  
4 does not bear a reasonable relationship to the  
5 expected loss and expense experience among the various  
6 risks.

7 d. A rate shall never be based upon race, color, creed or  
8 national origin.

9 B. The systems of expense provisions included in the rates for  
10 use by any insurer or group of insurers may differ from those of  
11 other insurers or groups of insurers to reflect the requirements of  
12 the operating methods of any such insurer or group with respect to  
13 any kind of insurance or subdivision or combination thereof for  
14 which subdivision or combination separate expense provisions are  
15 applicable.

16 C. Nothing in this act shall be construed to require uniformity  
17 in insurance rates, classifications, rating plans, or practices.

18 D. Nothing in this act shall abridge or restrict the freedom of  
19 contract of insurers, agents, brokers or employees with reference to  
20 the commissions, compensation, or salaries to be paid to such  
21 agents, brokers, or employees by insurers.

22 ~~E. The burden of compliance with the provisions of this act~~  
23 ~~shall rest upon the insurer or rating organization in all matters~~  
24 ~~involving a filing made pursuant to Section 6821 of this title.~~

1 SECTION 2. AMENDATORY 36 O.S. 2021, Section 908, is  
2 amended to read as follows:

3 Section 908. The Insurance Commissioner may, if the  
4 Commissioner finds that any person or organization has violated the  
5 provisions of any statute, rule, or order for which the Commissioner  
6 has jurisdiction, impose a penalty of not ~~less than One Hundred~~  
7 ~~Dollars (\$100.00) nor~~ more than Five Thousand Dollars (\$5,000.00)  
8 for each such violation. Such penalties may be in addition to any  
9 other penalty provided by law.

10 No penalty shall be imposed except upon a written order of the  
11 Commissioner or the appointed independent hearing examiner, stating  
12 the findings of the Commissioner ~~made after a hearing held not less~~  
13 ~~than ten (10) days after written notice to a person or organization~~  
14 ~~alleged to have violated any statute for which the Commissioner has~~  
15 ~~jurisdiction specifying the alleged violation~~ or the appointed  
16 independent hearing examiner after notice and opportunity for a  
17 hearing in accordance with Article II of the Administrative  
18 Procedures Act.

19 SECTION 3. AMENDATORY 36 O.S. 2021, Section 1106.1, as  
20 amended by Section 1, Chapter 154, O.S.L. 2022 (36 O.S. Supp. 2023,  
21 Section 1106.1), is amended to read as follows:

22 Section 1106.1 A. A surplus lines licensee or broker is not  
23 required to make a due diligence search to determine whether the  
24 full amount or type of insurance can be obtained from admitted

1 insurers when the surplus lines licensee or broker is seeking to  
2 procure or place nonadmitted insurance for an exempt commercial  
3 purchaser, ~~provided:~~ unless the

4 1. ~~The~~ licensee or broker procuring or placing the surplus  
5 lines insurance has disclosed to the exempt commercial purchaser  
6 that such insurance may or may not be available from the admitted  
7 market that may provide greater protection with more regulatory  
8 oversight; ~~and~~

9 2. ~~The exempt commercial purchaser has subsequently requested~~  
10 ~~in writing for the surplus lines broker to procure or place such~~  
11 ~~insurance from a nonadmitted insurer.~~

12 B. For purposes of this section, the term "exempt commercial  
13 purchaser" means any person purchasing commercial insurance that, at  
14 the time of placement, meets the following requirements:

15 1. The person employs or retains a qualified risk manager to  
16 negotiate insurance coverage;

17 2. The person has paid aggregate nationwide commercial property  
18 and casualty insurance premiums in excess of One Hundred Thousand  
19 Dollars (\$100,000.00) in the immediately preceding twelve (12)  
20 months;

21 3. The person meets at least one of the following criteria:

22 a. the person possesses a net worth in excess of ~~Twenty-~~  
23 ~~Four~~ Twenty-four Million Dollars (\$24,000,000.00), as  
24

1 such amount is adjusted pursuant to paragraph 4 of  
2 this subsection,

3 b. the person generates annual revenues in excess of  
4 Sixty Million Dollars (\$60,000,000.00), as such amount  
5 is adjusted pursuant to paragraph 4 of this  
6 subsection,

7 c. the person employs more than five hundred full-time-  
8 equivalent employees per individual insured or is a  
9 member of an affiliated group employing more than one  
10 thousand employees in the aggregate,

11 d. the person is a not-for-profit organization or public  
12 entity generating annual budgeted expenditures of at  
13 least ~~Thirty-Six~~ Thirty-six Million Dollars  
14 (\$36,000,000.00), as such amount is adjusted pursuant  
15 to paragraph 4 of this subsection, or

16 e. the person is a municipality with a population in  
17 excess of fifty thousand (50,000) persons; and

18 4. Effective on January 1, 2015, and every five (5) years  
19 thereafter, the amounts in subparagraphs a, b and d of paragraph 3  
20 of this subsection shall be adjusted to reflect the percentage  
21 change for such five-year period in the Consumer Price Index of All  
22 Urban Consumers published by the Bureau of Labor Statistics of the  
23 U.S. Department of Labor.

1 SECTION 4. AMENDATORY 36 O.S. 2021, Section 1107, is  
2 amended to read as follows:

3 Section 1107. A. After procuring any surplus line insurance  
4 where Oklahoma is the home state and the insurance involves a  
5 multistate risk, the surplus lines licensee and broker shall submit  
6 such information relating to the transaction as may be established  
7 by the Insurance Commissioner. The data shall be provided to the  
8 Insurance Commissioner until and unless in the exercise of his or  
9 her sole discretion and judgment, the Insurance Commissioner decides  
10 to enter or join the Nonadmitted Insurance Multi-State Agreement or  
11 any other multistate agreement or compact with the same function and  
12 purpose and other reporting requirements are thereby established.

13 B. When Oklahoma is the home state of the insured, the surplus  
14 lines licensee or broker shall make all informational and tax  
15 filings and fee and tax payments electronically in the manner and  
16 form required or to be established by the Insurance Commissioner,  
17 along with any applicable transaction fees. When Oklahoma is the  
18 home state of the insured, the premium tax filings and premium tax  
19 payments shall be provided entirely to the Insurance Commissioner  
20 until and unless, in the exercise of his or her sole discretion and  
21 judgment, the Insurance Commissioner decides to enter or join the  
22 Nonadmitted Insurance Multi-State Agreement or any other multistate  
23 agreement or compact with the same function and purpose.

24



1 C. Failure to file the required information, any required fee  
2 payments and make the required premium tax payments in the manner  
3 established by the Insurance Commissioner pursuant to this section  
4 and Section 1115 of this title where Oklahoma is the home state of  
5 the insured shall result, after notice and hearing, in censure,  
6 suspension, or revocation of license or a fine of up to Five Hundred  
7 Dollars (\$500.00) for each occurrence or by both such fine and  
8 licensure penalty.

9 SECTION 5. AMENDATORY 36 O.S. 2021, Section 1114, is  
10 amended to read as follows:

11 Section 1114. Each surplus lines licensee or broker licensed or  
12 transacting business in Oklahoma shall on or before April 1 of each  
13 year file electronically, along with any applicable transaction  
14 fees, with the Insurance Commissioner a verified statement of all  
15 surplus lines insurance transacted by the broker during the  
16 preceding calendar year where Oklahoma is the home state of the  
17 insured. The statement shall be on a form prescribed and furnished  
18 by the Insurance Commissioner and shall show such information  
19 required to be submitted as established by the Insurance  
20 Commissioner. The information shall be provided to the Insurance  
21 Commissioner until and unless, in the exercise of his or her sole  
22 discretion and judgment, the Insurance Commissioner decides to enter  
23 or join the Nonadmitted Insurance Multi-State Agreement or any other  
24 multistate agreement or compact with the same function and purpose

1 and other transaction reporting requirements are thereby  
2 established.

3 SECTION 6. AMENDATORY 36 O.S. 2021, Section 1250.9, is  
4 amended to read as follows:

5 Section 1250.9 A. If the Insurance Commissioner determines,  
6 based on an investigation of complaints of unfair claim settlement  
7 practices, that an insurer has engaged in unfair claim settlement  
8 practices with such frequency as to indicate a general business  
9 practice and that such insurer should be subjected to closer  
10 supervision with respect to such practices, the Commissioner may  
11 require the insurer to file a report at such periodic intervals as  
12 the Commissioner deems necessary. The Commissioner shall also  
13 devise a statistical plan for such periodic reports, which shall  
14 contain but not be limited to the following information:

15 1. The total number of written claims filed, including the  
16 original amount filed for by the insured and the classification by  
17 line of insurance of each individual written claim, for the past  
18 twelve-month period or from the date of the insurer's last periodic  
19 report, whichever time is shorter;

20 2. The total number of written claims denied, for the past  
21 twelve-month period or from the date of the insurer's last periodic  
22 report, whichever time is shorter;

23 3. The total number of written claims settled, including the  
24 original amount filed for by the insured, the settled amount, and

1 the classification of line of insurance of each individual settled  
2 claim, for the past twelve-month period or from the date of the  
3 insurer's last periodic report, whichever time is shorter;

4 4. The total number of written claims for which lawsuits were  
5 instituted against the insurer, including the original amount of the  
6 claim filed for by the insured, the amount of final adjudication,  
7 the reason for the lawsuit and the classification by line of  
8 insurance of each individual written claim, for the past twelve-  
9 month period or from the date of the insurer's last periodic report,  
10 whichever time is shorter; and

11 5. All information required by paragraph ~~12~~ 14 of Section  
12 1250.5 of this title.

13 B. For the purposes of this section, "written claims" means  
14 those claims reduced to writing and filed by a resident of this  
15 state with an insurer.

16 SECTION 7. AMENDATORY 36 O.S. 2021, Section 1450, as  
17 amended by Section 1, Chapter 149, O.S.L. 2023 (36 O.S. Supp. 2023,  
18 Section 1450), is amended to read as follows:

19 Section 1450. A. No person shall act as or present himself or  
20 herself to be an administrator, as defined by the provisions of the  
21 Third-party Administrator Act, in this state, unless the person  
22 holds a valid license as an administrator which is issued by the  
23 Insurance Commissioner.

24

1 B. An administrator shall not be eligible for a nonresident  
2 administrator license under this section if the administrator does  
3 not hold a home state certificate of authority or license in a state  
4 that has adopted the Third-party Administrator Act or that applies  
5 substantially similar provisions as are contained in the Third-party  
6 Administrator Act to that administrator. If the Third-party  
7 Administrator Act in the administrator's home state does not extend  
8 to stop-loss insurance, but if the home state otherwise applies  
9 substantially similar provisions as are contained in the Third-party  
10 Administrator Act to that administrator, then that omission shall  
11 not operate to disqualify the administrator from receiving a  
12 nonresident administrator license in this state.

13 1. "Home state" means the United States jurisdiction that has  
14 adopted the Third-party Administrator Act or a substantially similar  
15 law governing third-party administrators and which has been  
16 designated by the administrator as its principal regulator. The  
17 administrator may designate either its state of incorporation or its  
18 principal place of business within the United States if that  
19 jurisdiction has adopted the Third-party Administrator Act or a  
20 substantially similar law governing third-party administrators. If  
21 neither the administrator's state of incorporation nor its principal  
22 place of business within the United States has adopted the Third-  
23 party Administrator Act or a substantially similar law governing  
24 third-party administrators, then the third-party administrator shall

1 designate a United States jurisdiction in which it does business and  
2 which has adopted the Third-party Administrator Act or a  
3 substantially similar law governing third-party administrators. For  
4 purposes of this paragraph, "United States jurisdiction" means the  
5 District of Columbia or a state or territory of the United States.

6 2. "Nonresident administrator" means a person who is applying  
7 for licensure or is licensed in any state other than the  
8 administrator's home state.

9 C. In the case of a partnership which has been licensed, each  
10 general partner shall be licensed and shall qualify therefore as  
11 though an individual licensee. The Commissioner shall charge a full  
12 additional license fee and a separate license shall be issued for  
13 each individual so named in the license. The partnership shall  
14 notify the Commissioner within thirty (30) days if any individual  
15 licensed on its behalf has been terminated, or is no longer  
16 associated with or employed by the partnership. Any person making  
17 application as an administrator or currently licensed as an  
18 administrator under the Third-party Administrator Act shall provide  
19 a National Association of Insurance Commissioners (NAIC)  
20 Biographical Affidavit.

21 D. An application for an administrator's license shall be in a  
22 form prescribed by the Commissioner and shall be accompanied by a  
23 fee of One Hundred Dollars (\$100.00). The application shall be  
24 filed and the fee shall be paid electronically in a form and manner

1 prescribed by the Commissioner. This fee shall not be refundable if  
2 the application is denied or refused for any reason by either the  
3 applicant or the Commissioner.

4 E. The administrator's license shall continue in force no  
5 longer than twelve (12) months from the original month of issuance.  
6 Upon filing a renewal form prescribed by the Commissioner,  
7 accompanied by a fee of One Hundred Dollars (\$100.00), the license  
8 may be renewed annually for a one-year term. The renewal shall be  
9 filed, and the fee shall be paid electronically in a form and manner  
10 prescribed by the Commissioner. A license that expires for failure  
11 to submit a renewal application may be reinstated within ninety (90)  
12 days after the expiration date by electronically submitting a fee in  
13 an amount of Two Hundred Dollars (\$200.00) in a form and manner  
14 prescribed by the Commissioner and any other transaction or other  
15 fee deemed necessary by the Commissioner. All applications received  
16 after the license has expired for more than ninety (90) days shall  
17 include a detailed report of administrator services provided in this  
18 state during the period of expired licensure. The administrator  
19 shall submit, together with the application for renewal, a list of  
20 the names and addresses of the persons with whom the administrator  
21 has contracted in accordance with Section 1443 of this title. The  
22 Commissioner shall hold this information confidential except as  
23 provided in Section 1443 of this title.

24

1 F. 1. The administrator's license ~~shall~~ may be issued or  
2 renewed by the Commissioner unless, after notice and opportunity for  
3 hearing, the Commissioner determines that the administrator is not  
4 competent, trustworthy, or financially responsible, or has had any  
5 insurance license denied for cause by any state, has been convicted  
6 or has pleaded guilty or nolo contendere to any felony or to a  
7 misdemeanor involving moral turpitude or dishonesty.

8 2. The administrator shall report to the Insurance Commissioner  
9 any administrative or criminal action taken against the  
10 administrator in another jurisdiction or by another governmental  
11 agency in this state within thirty (30) calendar days of the final  
12 disposition of the matter. This report shall include a copy of the  
13 order, consent to order, copy of any payment required as a result of  
14 the administrative or criminal action, or other relevant legal  
15 documents.

16 3. Any entity making application to the Insurance Department as  
17 a third-party administrator (TPA) or within thirty (30) days of a  
18 change for a licensed TPA shall provide current National Association  
19 of Insurance Commissioners (NAIC) Biographical Affidavits on behalf  
20 of all officers, directors and key managerial personnel of the TPA,  
21 and individuals with a ten percent (10%) or more beneficial  
22 ownership in the TPA and the TPA's ultimate controlling person  
23 (affiant) as required for insurers pursuant to the laws of this  
24 state.

1 G. After notice and opportunity for hearing, and upon  
2 determining that the administrator has violated any of the  
3 provisions of the Oklahoma Insurance Code or upon finding reasons  
4 for which the issuance or ~~nonrenewal~~ renewal of such license could  
5 have been denied, the Commissioner may ~~either~~ deny, refuse to renew,  
6 suspend or revoke an administrator's license or assess a civil  
7 penalty not more than Five Thousand Dollars (\$5,000.00) for each  
8 occurrence, or any combination thereof. The payment of the penalty  
9 may be enforced in the same manner as civil judgments may be  
10 enforced.

11 H. Any person who is acting as or presenting himself or herself  
12 to be an administrator without a valid license shall be subject,  
13 upon conviction, to a fine not less than One Thousand Dollars  
14 (\$1,000.00) nor more than Ten Thousand Dollars (\$10,000.00) for each  
15 occurrence. This fine shall be in addition to any other penalties  
16 which may be imposed for violations of the Oklahoma Insurance Code  
17 or other laws of this state.

18 I. Except as provided for in subsections F and G of this  
19 section, any person convicted of violating any provisions of the  
20 Third-party Administrator Act shall be guilty of a misdemeanor and  
21 shall be subject to a fine not more than One Thousand Dollars  
22 (\$1,000.00).

23 J. Each administrator shall electronically submit, in a form  
24 and manner prescribed by the Commissioner, any change of legal



1 business name, "doing business as" or assumed name, address, service  
2 agent contact information, or contact email address, and any  
3 necessary fees within thirty (30) days after the change occurred.  
4 Any submission of a change under this subsection that is received  
5 more than thirty (30) days after the change occurred shall be  
6 accompanied by a fee of Fifty Dollars (\$50.00).

7 K. Upon receipt of any inquiry from the Insurance Commissioner,  
8 a licensed administrator shall furnish the Commissioner with an  
9 adequate response to the inquiry within twenty (20) days from  
10 receipt of the inquiry.

11 SECTION 8. AMENDATORY 36 O.S. 2021, Section 1682, is  
12 amended to read as follows:

13 Section 1682. This act is adopted to provide options to address  
14 the significant limitations in the current methods available to  
15 insurers to transfer or assume blocks of insurance business in an  
16 efficient and cost-effective manner that provides needed legal  
17 finality for such transfers in order to provide for improved  
18 operational and capital efficiency for insurance companies,  
19 stimulates the economy by attracting segments of the insurance  
20 industry to the state, makes Oklahoma an attractive home  
21 jurisdiction for insurance companies, encourages economic growth and  
22 increased investment in the financial services sector and increases  
23 the availability of quality insurance industry jobs in Oklahoma.  
24 These purposes are accomplished by providing a basis and procedures

1 for the transfer and statutory novation of policies from a  
2 transferring insurer to an assuming insurer by way of an Insurance  
3 Business Transfer without the affirmative consent of policyholders  
4 or reinsureds. The novation is effected by court order. This act  
5 establishes the requirements for notice and disclosure and standards  
6 and procedures for the approval of the transfer and novation by the  
7 Oklahoma Insurance Commissioner and the ~~District Court of Oklahoma~~  
8 ~~County~~ district court pursuant to an Insurance Business Transfer  
9 Plan. This act does not limit or restrict other means of effecting  
10 a transfer or novation.

11 SECTION 9. AMENDATORY 36 O.S. 2021, Section 2122, is  
12 amended to read as follows:

13 Section 2122. A. A domestic stock insurer shall not pay any  
14 ordinary cash dividend to stockholders except out of that part of  
15 its available surplus funds which is derived from realized net  
16 profits on its business. The restriction shall apply to all  
17 extraordinary dividends, as defined in subsection B of Section 1655  
18 1636 of this title.

19 B. A stock dividend may be paid out of any available surplus  
20 funds in excess of the aggregate amount of surplus loaned to the  
21 insurer pursuant to Section 2125 of this article.

22 C. A dividend otherwise proper may be payable out of the  
23 insurer's earned surplus even though its total surplus is then less  
24 than the aggregate of its past contributed surplus resulting from

1 issuance of its capital stock at a price in excess of the par value  
2 thereof.

3 SECTION 10. AMENDATORY 36 O.S. 2021, Section 6060.4, as  
4 amended by Section 2, Chapter 199, O.S.L. 2022 (36 O.S. Supp. 2023,  
5 Section 6060.4), is amended to read as follows:

6 Section 6060.4 A. A health benefit plan delivered, issued for  
7 delivery or renewed in this state on or after January 1, 1998, that  
8 provides benefits for the dependents of an insured individual shall  
9 provide coverage for each child of the insured, from birth through  
10 the date the child is eighteen (18) years of age for:

11 1. Immunization against:

- 12 a. diphtheria,
- 13 b. hepatitis B,
- 14 c. measles,
- 15 d. mumps,
- 16 e. pertussis,
- 17 f. polio,
- 18 g. rubella,
- 19 h. tetanus,
- 20 i. varicella,
- 21 j. haemophilus influenzae type B, and
- 22 k. hepatitis A; and

23 2. Any other immunization subsequently required for children by  
24 the State Board of Health.

1 B. Benefits required pursuant to subsection A of this section  
2 shall not be subject to a deductible, co-payment, or coinsurance  
3 requirement.

4 C. 1. For purposes of this section, "health benefit plan"  
5 means group hospital ~~or~~ coverage, individual and group medical  
6 insurance coverage, a not-for-profit hospital or medical service or  
7 indemnity plan, a prepaid health plan, a health maintenance  
8 organization plan, a preferred provider organization plan, the State  
9 and Education Employees Group Health Insurance Plan, and coverage  
10 provided by a Multiple Employer Welfare Arrangement or employee  
11 self-insured plan as permitted under Employee Retirement Income  
12 Security Act of 1974.

13 2. The term "health benefit plan" shall not include:

14 a. a plan that provides coverage:

- 15 (1) only for a specified disease or diseases or under  
16 an individual limited benefit policy,  
17 (2) only for accidental death or dismemberment,  
18 (3) only for dental or vision care,  
19 (4) a hospital confinement indemnity policy,  
20 (5) disability income insurance or a combination of  
21 accident-only and disability income insurance, or  
22 (6) as a supplement to liability insurance,  
23  
24

- b. a Medicare supplemental policy as defined by Section 1882(g) (1) of the Social Security Act (42 U.S.C., Section 1395ss),
- c. workers' compensation insurance coverage,
- d. medical payment insurance issued as part of a motor vehicle insurance policy,
- e. a long-term care policy, including a nursing home fixed indemnity policy, unless a determination is made that the policy provides benefit coverage so comprehensive that the policy meets the definition of a health benefit plan, or
- f. short-term health insurance issued on a nonrenewable basis with a duration of six (6) months or less.

SECTION 11. This act shall become effective November 1, 2024.

Passed the House of Representatives the 11th day of March, 2024.

\_\_\_\_\_  
Presiding Officer of the House  
of Representatives

Passed the Senate the \_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Presiding Officer of the Senate