



January 23, 2026

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## SENATE BILL No. 189

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DIGEST OF SB 189 (Updated January 21, 2026 11:10 am - DI 154)

**Citations Affected:** IC 27-1; IC 27-4.

**Synopsis:** Nonparticipating providers. Prohibits a health carrier from assessing a health provider facility or a provider an administrative fee or penalty related to the provision of care to an individual that involves an out of network provider. Provides that if a health carrier assesses a health provider facility or a provider an administrative fee or penalty related to the provision of care to an individual that involves an out of network provider, the health carrier commits an unfair and deceptive act or practice in the business of insurance.

**Effective:** Upon passage.

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### **Baldwin, Randolph Lonnie M**

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January 6, 2026, read first time and referred to Committee on Insurance and Financial Institutions.  
January 22, 2026, amended, reported favorably — Do Pass.

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**SB 189—LS 6811/DI 154**





January 23, 2026

Second Regular Session of the 124th General Assembly (2026)

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 2025 Regular Session of the General Assembly.

## SENATE BILL No. 189

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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 27-1-37-11, AS ADDED BY P.L.215-2025,  
2        SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3        UPON PASSAGE]: Sec. 11. **(a)** The department shall do the following:  
4                (1) Require health carriers to meet network adequacy standards  
5                that are no less stringent than the network adequacy standards  
6                established by the Centers for Medicare and Medicaid Services.  
7                (2) When assessing whether a health carrier has met the network  
8                adequacy standards, consider the availability and variety of  
9                independent specialty providers that provide services within in  
10                network provider facilities in the health carrier's network.  
11                **(b) A health carrier may not assess a health provider facility or**  
12                **a provider an administrative fee or penalty related to the provision**  
13                **of care to an individual that involves an out of network provider.**  
14                **(c) If a health carrier assesses an administrative fee or penalty**  
15                **under subsection (b), the health carrier commits an unfair and**  
16                **deceptive act or practice in the business of insurance under**  
17                **IC 27-4-1-4 and is subject to the penalties and procedures set forth**

SB 189—LS 6811/DI 154



1       **in IC 27-4-1.**  
23       SECTION 2. IC 27-4-1-4, AS AMENDED BY P.L.158-2024,  
4       SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5       UPON PASSAGE]: Sec. 4. (a) The following are hereby defined as  
6       unfair methods of competition and unfair and deceptive acts and  
7       practices in the business of insurance:8       (1) Making, issuing, circulating, or causing to be made, issued, or  
9       circulated, any estimate, illustration, circular, or statement:10       (A) misrepresenting the terms of any policy issued or to be  
11       issued or the benefits or advantages promised thereby or the  
12       dividends or share of the surplus to be received thereon;13       (B) making any false or misleading statement as to the  
14       dividends or share of surplus previously paid on similar  
15       policies;16       (C) making any misleading representation or any  
17       misrepresentation as to the financial condition of any insurer,  
18       or as to the legal reserve system upon which any life insurer  
19       operates;20       (D) using any name or title of any policy or class of policies  
21       misrepresenting the true nature thereof; or22       (E) making any misrepresentation to any policyholder insured  
23       in any company for the purpose of inducing or tending to  
24       induce such policyholder to lapse, forfeit, or surrender the  
25       policyholder's insurance.26       (2) Making, publishing, disseminating, circulating, or placing  
27       before the public, or causing, directly or indirectly, to be made,  
28       published, disseminated, circulated, or placed before the public,  
29       in a newspaper, magazine, or other publication, or in the form of  
30       a notice, circular, pamphlet, letter, or poster, or over any radio or  
31       television station, or in any other way, an advertisement,  
32       announcement, or statement containing any assertion,  
33       representation, or statement with respect to any person in the  
34       conduct of the person's insurance business, which is untrue,  
35       deceptive, or misleading.36       (3) Making, publishing, disseminating, or circulating, directly or  
37       indirectly, or aiding, abetting, or encouraging the making,  
38       publishing, disseminating, or circulating of any oral or written  
39       statement or any pamphlet, circular, article, or literature which is  
40       false, or maliciously critical of or derogatory to the financial  
41       condition of an insurer, and which is calculated to injure any  
42       person engaged in the business of insurance.

43       (4) Entering into any agreement to commit, or individually or by



1 a concerted action committing any act of boycott, coercion, or  
2 intimidation resulting or tending to result in unreasonable  
3 restraint of, or a monopoly in, the business of insurance.

4 (5) Filing with any supervisory or other public official, or making,  
5 publishing, disseminating, circulating, or delivering to any person,  
6 or placing before the public, or causing directly or indirectly, to  
7 be made, published, disseminated, circulated, delivered to any  
8 person, or placed before the public, any false statement of  
9 financial condition of an insurer with intent to deceive. Making  
10 any false entry in any book, report, or statement of any insurer  
11 with intent to deceive any agent or examiner lawfully appointed  
12 to examine into its condition or into any of its affairs, or any  
13 public official to which such insurer is required by law to report,  
14 or which has authority by law to examine into its condition or into  
15 any of its affairs, or, with like intent, willfully omitting to make a  
16 true entry of any material fact pertaining to the business of such  
17 insurer in any book, report, or statement of such insurer.

18 (6) Issuing or delivering or permitting agents, officers, or  
19 employees to issue or deliver, agency company stock or other  
20 capital stock, or benefit certificates or shares in any common law  
21 corporation, or securities or any special or advisory board  
22 contracts or other contracts of any kind promising returns and  
23 profits as an inducement to insurance.

24 (7) Making or permitting any of the following:

25 (A) Unfair discrimination between individuals of the same  
26 class and equal expectation of life in the rates or assessments  
27 charged for any contract of life insurance or of life annuity or  
28 in the dividends or other benefits payable thereon, or in any  
29 other of the terms and conditions of such contract. However,  
30 in determining the class, consideration may be given to the  
31 nature of the risk, plan of insurance, the actual or expected  
32 expense of conducting the business, or any other relevant  
33 factor.

34 (B) Unfair discrimination between individuals of the same  
35 class involving essentially the same hazards in the amount of  
36 premium, policy fees, assessments, or rates charged or made  
37 for any policy or contract of accident or health insurance or in  
38 the benefits payable thereunder, or in any of the terms or  
39 conditions of such contract, or in any other manner whatever.  
40 However, in determining the class, consideration may be given  
41 to the nature of the risk, the plan of insurance, the actual or  
42 expected expense of conducting the business, or any other



1 relevant factor.  
2

3 (C) Excessive or inadequate charges for premiums, policy  
4 fees, assessments, or rates, or making or permitting any unfair  
5 discrimination between persons of the same class involving  
6 essentially the same hazards, in the amount of premiums,  
7 policy fees, assessments, or rates charged or made for:

8 (i) policies or contracts of reinsurance or joint reinsurance,  
9 or abstract and title insurance;

10 (ii) policies or contracts of insurance against loss or damage  
11 to aircraft, or against liability arising out of the ownership,  
12 maintenance, or use of any aircraft, or of vessels or craft,  
13 their cargoes, marine builders' risks, marine protection and  
14 indemnity, or other risks commonly insured under marine,  
15 as distinguished from inland marine, insurance; or

16 (iii) policies or contracts of any other kind or kinds of  
17 insurance whatsoever.

18 However, nothing contained in clause (C) shall be construed to  
19 apply to any of the kinds of insurance referred to in clauses (A)  
20 and (B) nor to reinsurance in relation to such kinds of insurance.  
21 Nothing in clause (A), (B), or (C) shall be construed as making or  
22 permitting any excessive, inadequate, or unfairly discriminatory  
23 charge or rate or any charge or rate determined by the department  
24 or commissioner to meet the requirements of any other insurance  
rate regulatory law of this state.

25 (8) Except as otherwise expressly provided by IC 27-1-47 or  
26 another law, knowingly permitting or offering to make or making  
27 any contract or policy of insurance of any kind or kinds  
28 whatsoever, including but not in limitation, life annuities, or  
29 agreement as to such contract or policy other than as plainly  
30 expressed in such contract or policy issued thereon, or paying or  
31 allowing, or giving or offering to pay, allow, or give, directly or  
32 indirectly, as inducement to such insurance, or annuity, any rebate  
33 of premiums payable on the contract, or any special favor or  
34 advantage in the dividends, savings, or other benefits thereon, or  
35 any valuable consideration or inducement whatever not specified  
36 in the contract or policy; or giving, or selling, or purchasing or  
37 offering to give, sell, or purchase as inducement to such insurance  
38 or annuity or in connection therewith, any stocks, bonds, or other  
39 securities of any insurance company or other corporation,  
40 association, limited liability company, or partnership, or any  
41 dividends, savings, or profits accrued thereon, or anything of  
42 value whatsoever not specified in the contract. Nothing in this



1 subdivision and subdivision (7) shall be construed as including  
2 within the definition of discrimination or rebates any of the  
3 following practices:

4 (A) Paying bonuses to policyholders or otherwise abating their  
5 premiums in whole or in part out of surplus accumulated from  
6 nonparticipating insurance, so long as any such bonuses or  
7 abatement of premiums are fair and equitable to policyholders  
8 and for the best interests of the company and its policyholders.

9 (B) In the case of life insurance policies issued on the  
10 industrial debit plan, making allowance to policyholders who  
11 have continuously for a specified period made premium  
12 payments directly to an office of the insurer in an amount  
13 which fairly represents the saving in collection expense.

14 (C) Readjustment of the rate of premium for a group insurance  
15 policy based on the loss or expense experience thereunder, at  
16 the end of the first year or of any subsequent year of insurance  
17 thereunder, which may be made retroactive only for such  
18 policy year.

19 (D) Paying by an insurer or insurance producer thereof duly  
20 licensed as such under the laws of this state of money,  
21 commission, or brokerage, or giving or allowing by an insurer  
22 or such licensed insurance producer thereof anything of value,  
23 for or on account of the solicitation or negotiation of policies  
24 or other contracts of any kind or kinds, to a broker, an  
25 insurance producer, or a solicitor duly licensed under the laws  
26 of this state, but such broker, insurance producer, or solicitor  
27 receiving such consideration shall not pay, give, or allow  
28 credit for such consideration as received in whole or in part,  
29 directly or indirectly, to the insured by way of rebate.

30 (9) Requiring, as a condition precedent to loaning money upon the  
31 security of a mortgage upon real property, that the owner of the  
32 property to whom the money is to be loaned negotiate any policy  
33 of insurance covering such real property through a particular  
34 insurance producer or broker or brokers. However, this  
35 subdivision shall not prevent the exercise by any lender of the  
36 lender's right to approve or disapprove of the insurance company  
37 selected by the borrower to underwrite the insurance.

38 (10) Entering into any contract, combination in the form of a trust  
39 or otherwise, or conspiracy in restraint of commerce in the  
40 business of insurance.

41 (11) Monopolizing or attempting to monopolize or combining or  
42 conspiring with any other person or persons to monopolize any



1 part of commerce in the business of insurance. However,  
2 participation as a member, director, or officer in the activities of  
3 any nonprofit organization of insurance producers or other  
4 workers in the insurance business shall not be interpreted, in  
5 itself, to constitute a combination in restraint of trade or as  
6 combining to create a monopoly as provided in this subdivision  
7 and subdivision (10). The enumeration in this chapter of specific  
8 unfair methods of competition and unfair or deceptive acts and  
9 practices in the business of insurance is not exclusive or  
10 restrictive or intended to limit the powers of the commissioner or  
11 department or of any court of review under section 8 of this  
12 chapter.

13 (12) Requiring as a condition precedent to the sale of real or  
14 personal property under any contract of sale, conditional sales  
15 contract, or other similar instrument or upon the security of a  
16 chattel mortgage, that the buyer of such property negotiate any  
17 policy of insurance covering such property through a particular  
18 insurance company, insurance producer, or broker or brokers.  
19 However, this subdivision shall not prevent the exercise by any  
20 seller of such property or the one making a loan thereon of the  
21 right to approve or disapprove of the insurance company selected  
22 by the buyer to underwrite the insurance.

23 (13) Issuing, offering, or participating in a plan to issue or offer,  
24 any policy or certificate of insurance of any kind or character as  
25 an inducement to the purchase of any property, real, personal, or  
26 mixed, or services of any kind, where a charge to the insured is  
27 not made for and on account of such policy or certificate of  
28 insurance. However, this subdivision shall not apply to any of the  
29 following:

- 30 (A) Insurance issued to credit unions or members of credit  
31 unions in connection with the purchase of shares in such credit  
32 unions.
- 33 (B) Insurance employed as a means of guaranteeing the  
34 performance of goods and designed to benefit the purchasers  
35 or users of such goods.
- 36 (C) Title insurance.
- 37 (D) Insurance written in connection with an indebtedness and  
38 intended as a means of repaying such indebtedness in the  
39 event of the death or disability of the insured.
- 40 (E) Insurance provided by or through motorists service clubs  
41 or associations.
- 42 (F) Insurance that is provided to the purchaser or holder of an



1 air transportation ticket and that:

- (i) insures against death or nonfatal injury that occurs during the flight to which the ticket relates;
- (ii) insures against personal injury or property damage that occurs during travel to or from the airport in a common carrier immediately before or after the flight;
- (iii) insures against baggage loss during the flight to which the ticket relates; or
- (iv) insures against a flight cancellation to which the ticket relates.

11 (14) Refusing, because of the for-profit status of a hospital or  
12 medical facility, to make payments otherwise required to be made  
13 under a contract or policy of insurance for charges incurred by an  
14 insured in such a for-profit hospital or other for-profit medical  
15 facility licensed by the Indiana department of health.

16 (15) Refusing to insure an individual, refusing to continue to issue  
17 insurance to an individual, limiting the amount, extent, or kind of  
18 coverage available to an individual, or charging an individual a  
19 different rate for the same coverage, solely because of that  
20 individual's blindness or partial blindness, except where the  
21 refusal, limitation, or rate differential is based on sound actuarial  
22 principles or is related to actual or reasonably anticipated  
23 experience.

24 (16) Committing or performing, with such frequency as to  
25 indicate a general practice, unfair claim settlement practices (as  
26 defined in section 4.5 of this chapter).

27 (17) Between policy renewal dates, unilaterally canceling an  
28 individual's coverage under an individual or group health  
29 insurance policy solely because of the individual's medical or  
30 physical condition.

31 (18) Using a policy form or rider that would permit a cancellation  
32 of coverage as described in subdivision (17).

(19) Violating IC 27-1-22-25, IC 27-1-22-26, or IC 27-1-22-26.1 concerning motor vehicle insurance rates.

35 (20) Violating IC 27-8-21-2 concerning advertisements referring  
36 to interest rate guarantees.

37 (21) Violating IC 27-8-24.3 concerning insurance and health plan  
38 coverage for victims of abuse.

39 (22) Violating IC 27-8-26 concerning genetic screening or testing.  
40 (23) Violating IC 27-1-15.6-3(b) concerning licensure of

(24) Violating IC 27-1-38 concerning depository institutions insurance producers.

(24) Violating IC 27-1-5-8 concerning depository institutions.



1 (25) Violating IC 27-8-28-17(c) or IC 27-13-10-8(c) concerning  
2 the resolution of an appealed grievance decision.  
3 (26) Violating IC 27-8-5-2.5(e) through IC 27-8-5-2.5(j) (expired  
4 July 1, 2007, and removed) or IC 27-8-5-19.2 (expired July 1,  
5 2007, and repealed).  
6 (27) Violating IC 27-2-21 concerning use of credit information.  
7 (28) Violating IC 27-4-9-3 concerning recommendations to  
8 consumers.  
9 (29) Engaging in dishonest or predatory insurance practices in  
10 marketing or sales of insurance to members of the United States  
11 Armed Forces as:  
12 (A) described in the federal Military Personnel Financial  
13 Services Protection Act, P.L.109-290; or  
14 (B) defined in rules adopted under subsection (b).  
15 (30) Violating IC 27-8-19.8-20.1 concerning stranger originated  
16 life insurance.  
17 (31) Violating IC 27-2-22 concerning retained asset accounts.  
18 (32) Violating IC 27-8-5-29 concerning health plans offered  
19 through a health benefit exchange (as defined in IC 27-19-2-8).  
20 (33) Violating a requirement of the federal Patient Protection and  
21 Affordable Care Act (P.L. 111-148), as amended by the federal  
22 Health Care and Education Reconciliation Act of 2010 (P.L.  
23 111-152), that is enforceable by the state.  
24 (34) After June 30, 2015, violating IC 27-2-23 concerning  
25 unclaimed life insurance, annuity, or retained asset account  
26 benefits.  
27 (35) Willfully violating IC 27-1-12-46 concerning a life insurance  
28 policy or certificate described in IC 27-1-12-46(a).  
29 (36) Violating IC 27-1-37-7 concerning prohibiting the disclosure  
30 of health care service claims data.  
31 (37) Violating IC 27-4-10-10 concerning virtual claims payments.  
32 (38) Violating IC 27-1-24.5 concerning pharmacy benefit  
33 managers.  
34 (39) Violating IC 27-7-17-16 or IC 27-7-17-17 concerning the  
35 marketing of travel insurance policies.  
36 (40) Violating IC 27-1-49 concerning individual prescription drug  
37 rebates.  
38 (41) Violating IC 27-1-50 concerning group prescription drug  
39 rebates.  
40 (42) **Violating IC 27-1-37-11 concerning an administrative fee  
41 or penalty imposed on a health provider facility or a provider  
42 by a health carrier related to the provision of care to an**



1                   **individual that involves an out of network provider.**

2                   (b) Except with respect to federal insurance programs under  
3                   Subchapter III of Chapter 19 of Title 38 of the United States Code, the  
4                   commissioner may, consistent with the federal Military Personnel  
5                   Financial Services Protection Act (10 U.S.C. 992 note), adopt rules  
6                   under IC 4-22-2 to:

7                   (1) define; and

8                   (2) while the members are on a United States military installation  
9                   or elsewhere in Indiana, protect members of the United States  
10                   Armed Forces from;

11                   dishonest or predatory insurance practices.

12                   **SECTION 3. An emergency is declared for this act.**



## COMMITTEE REPORT

Mr. President: The Senate Committee on Insurance and Financial Institutions, to which was referred Senate Bill No. 189, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Replace the effective date in SECTION 1 with "[EFFECTIVE UPON PASSAGE]".

Page 1, line 12, after "fee" insert "**or penalty**".

Page 1, line 14, after "fee" insert "**or penalty**".

Page 1, line 15, delete "the commissioner shall impose on the health carrier" and insert "**the health carrier commits an unfair and deceptive act or practice in the business of insurance under IC 27-4-1-4 and is subject to the penalties and procedures set forth in IC 27-4-1.**

SECTION 2. IC 27-4-1-4, AS AMENDED BY P.L.158-2024, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The following are hereby defined as unfair methods of competition and unfair and deceptive acts and practices in the business of insurance:

(1) Making, issuing, circulating, or causing to be made, issued, or circulated, any estimate, illustration, circular, or statement:

(A) misrepresenting the terms of any policy issued or to be issued or the benefits or advantages promised thereby or the dividends or share of the surplus to be received thereon;

(B) making any false or misleading statement as to the dividends or share of surplus previously paid on similar policies;

(C) making any misleading representation or any misrepresentation as to the financial condition of any insurer, or as to the legal reserve system upon which any life insurer operates;

(D) using any name or title of any policy or class of policies misrepresenting the true nature thereof; or

(E) making any misrepresentation to any policyholder insured in any company for the purpose of inducing or tending to induce such policyholder to lapse, forfeit, or surrender the policyholder's insurance.

(2) Making, publishing, disseminating, circulating, or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public,



in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio or television station, or in any other way, an advertisement, announcement, or statement containing any assertion, representation, or statement with respect to any person in the conduct of the person's insurance business, which is untrue, deceptive, or misleading.

(3) Making, publishing, disseminating, or circulating, directly or indirectly, or aiding, abetting, or encouraging the making, publishing, disseminating, or circulating of any oral or written statement or any pamphlet, circular, article, or literature which is false, or maliciously critical of or derogatory to the financial condition of an insurer, and which is calculated to injure any person engaged in the business of insurance.

(4) Entering into any agreement to commit, or individually or by a concerted action committing any act of boycott, coercion, or intimidation resulting or tending to result in unreasonable restraint of, or a monopoly in, the business of insurance.

(5) Filing with any supervisory or other public official, or making, publishing, disseminating, circulating, or delivering to any person, or placing before the public, or causing directly or indirectly, to be made, published, disseminated, circulated, delivered to any person, or placed before the public, any false statement of financial condition of an insurer with intent to deceive. Making any false entry in any book, report, or statement of any insurer with intent to deceive any agent or examiner lawfully appointed to examine into its condition or into any of its affairs, or any public official to which such insurer is required by law to report, or which has authority by law to examine into its condition or into any of its affairs, or, with like intent, willfully omitting to make a true entry of any material fact pertaining to the business of such insurer in any book, report, or statement of such insurer.

(6) Issuing or delivering or permitting agents, officers, or employees to issue or deliver, agency company stock or other capital stock, or benefit certificates or shares in any common law corporation, or securities or any special or advisory board contracts or other contracts of any kind promising returns and profits as an inducement to insurance.

(7) Making or permitting any of the following:

(A) Unfair discrimination between individuals of the same class and equal expectation of life in the rates or assessments charged for any contract of life insurance or of life annuity or



in the dividends or other benefits payable thereon, or in any other of the terms and conditions of such contract. However, in determining the class, consideration may be given to the nature of the risk, plan of insurance, the actual or expected expense of conducting the business, or any other relevant factor.

(B) Unfair discrimination between individuals of the same class involving essentially the same hazards in the amount of premium, policy fees, assessments, or rates charged or made for any policy or contract of accident or health insurance or in the benefits payable thereunder, or in any of the terms or conditions of such contract, or in any other manner whatever. However, in determining the class, consideration may be given to the nature of the risk, the plan of insurance, the actual or expected expense of conducting the business, or any other relevant factor.

(C) Excessive or inadequate charges for premiums, policy fees, assessments, or rates, or making or permitting any unfair discrimination between persons of the same class involving essentially the same hazards, in the amount of premiums, policy fees, assessments, or rates charged or made for:

- (i) policies or contracts of reinsurance or joint reinsurance, or abstract and title insurance;
- (ii) policies or contracts of insurance against loss or damage to aircraft, or against liability arising out of the ownership, maintenance, or use of any aircraft, or of vessels or craft, their cargoes, marine builders' risks, marine protection and indemnity, or other risks commonly insured under marine, as distinguished from inland marine, insurance; or
- (iii) policies or contracts of any other kind or kinds of insurance whatsoever.

However, nothing contained in clause (C) shall be construed to apply to any of the kinds of insurance referred to in clauses (A) and (B) nor to reinsurance in relation to such kinds of insurance. Nothing in clause (A), (B), or (C) shall be construed as making or permitting any excessive, inadequate, or unfairly discriminatory charge or rate or any charge or rate determined by the department or commissioner to meet the requirements of any other insurance rate regulatory law of this state.

(8) Except as otherwise expressly provided by IC 27-1-47 or another law, knowingly permitting or offering to make or making any contract or policy of insurance of any kind or kinds



whatsoever, including but not in limitation, life annuities, or agreement as to such contract or policy other than as plainly expressed in such contract or policy issued thereon, or paying or allowing, or giving or offering to pay, allow, or give, directly or indirectly, as inducement to such insurance, or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends, savings, or other benefits thereon, or any valuable consideration or inducement whatever not specified in the contract or policy; or giving, or selling, or purchasing or offering to give, sell, or purchase as inducement to such insurance or annuity or in connection therewith, any stocks, bonds, or other securities of any insurance company or other corporation, association, limited liability company, or partnership, or any dividends, savings, or profits accrued thereon, or anything of value whatsoever not specified in the contract. Nothing in this subdivision and subdivision (7) shall be construed as including within the definition of discrimination or rebates any of the following practices:

- (A) Paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from nonparticipating insurance, so long as any such bonuses or abatement of premiums are fair and equitable to policyholders and for the best interests of the company and its policyholders.
- (B) In the case of life insurance policies issued on the industrial debit plan, making allowance to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer in an amount which fairly represents the saving in collection expense.
- (C) Readjustment of the rate of premium for a group insurance policy based on the loss or expense experience thereunder, at the end of the first year or of any subsequent year of insurance thereunder, which may be made retroactive only for such policy year.
- (D) Paying by an insurer or insurance producer thereof duly licensed as such under the laws of this state of money, commission, or brokerage, or giving or allowing by an insurer or such licensed insurance producer thereof anything of value, for or on account of the solicitation or negotiation of policies or other contracts of any kind or kinds, to a broker, an insurance producer, or a solicitor duly licensed under the laws of this state, but such broker, insurance producer, or solicitor receiving such consideration shall not pay, give, or allow



credit for such consideration as received in whole or in part, directly or indirectly, to the insured by way of rebate.

(9) Requiring, as a condition precedent to loaning money upon the security of a mortgage upon real property, that the owner of the property to whom the money is to be loaned negotiate any policy of insurance covering such real property through a particular insurance producer or broker or brokers. However, this subdivision shall not prevent the exercise by any lender of the lender's right to approve or disapprove of the insurance company selected by the borrower to underwrite the insurance.

(10) Entering into any contract, combination in the form of a trust or otherwise, or conspiracy in restraint of commerce in the business of insurance.

(11) Monopolizing or attempting to monopolize or combining or conspiring with any other person or persons to monopolize any part of commerce in the business of insurance. However, participation as a member, director, or officer in the activities of any nonprofit organization of insurance producers or other workers in the insurance business shall not be interpreted, in itself, to constitute a combination in restraint of trade or as combining to create a monopoly as provided in this subdivision and subdivision (10). The enumeration in this chapter of specific unfair methods of competition and unfair or deceptive acts and practices in the business of insurance is not exclusive or restrictive or intended to limit the powers of the commissioner or department or of any court of review under section 8 of this chapter.

(12) Requiring as a condition precedent to the sale of real or personal property under any contract of sale, conditional sales contract, or other similar instrument or upon the security of a chattel mortgage, that the buyer of such property negotiate any policy of insurance covering such property through a particular insurance company, insurance producer, or broker or brokers. However, this subdivision shall not prevent the exercise by any seller of such property or the one making a loan thereon of the right to approve or disapprove of the insurance company selected by the buyer to underwrite the insurance.

(13) Issuing, offering, or participating in a plan to issue or offer, any policy or certificate of insurance of any kind or character as an inducement to the purchase of any property, real, personal, or mixed, or services of any kind, where a charge to the insured is not made for and on account of such policy or certificate of



insurance. However, this subdivision shall not apply to any of the following:

- (A) Insurance issued to credit unions or members of credit unions in connection with the purchase of shares in such credit unions.
- (B) Insurance employed as a means of guaranteeing the performance of goods and designed to benefit the purchasers or users of such goods.
- (C) Title insurance.
- (D) Insurance written in connection with an indebtedness and intended as a means of repaying such indebtedness in the event of the death or disability of the insured.
- (E) Insurance provided by or through motorists service clubs or associations.
- (F) Insurance that is provided to the purchaser or holder of an air transportation ticket and that:
  - (i) insures against death or nonfatal injury that occurs during the flight to which the ticket relates;
  - (ii) insures against personal injury or property damage that occurs during travel to or from the airport in a common carrier immediately before or after the flight;
  - (iii) insures against baggage loss during the flight to which the ticket relates; or
  - (iv) insures against a flight cancellation to which the ticket relates.
- (14) Refusing, because of the for-profit status of a hospital or medical facility, to make payments otherwise required to be made under a contract or policy of insurance for charges incurred by an insured in such a for-profit hospital or other for-profit medical facility licensed by the Indiana department of health.
- (15) Refusing to insure an individual, refusing to continue to issue insurance to an individual, limiting the amount, extent, or kind of coverage available to an individual, or charging an individual a different rate for the same coverage, solely because of that individual's blindness or partial blindness, except where the refusal, limitation, or rate differential is based on sound actuarial principles or is related to actual or reasonably anticipated experience.
- (16) Committing or performing, with such frequency as to indicate a general practice, unfair claim settlement practices (as defined in section 4.5 of this chapter).
- (17) Between policy renewal dates, unilaterally canceling an



individual's coverage under an individual or group health insurance policy solely because of the individual's medical or physical condition.

- (18) Using a policy form or rider that would permit a cancellation of coverage as described in subdivision (17).
- (19) Violating IC 27-1-22-25, IC 27-1-22-26, or IC 27-1-22-26.1 concerning motor vehicle insurance rates.
- (20) Violating IC 27-8-21-2 concerning advertisements referring to interest rate guarantees.
- (21) Violating IC 27-8-24.3 concerning insurance and health plan coverage for victims of abuse.
- (22) Violating IC 27-8-26 concerning genetic screening or testing.
- (23) Violating IC 27-1-15.6-3(b) concerning licensure of insurance producers.
- (24) Violating IC 27-1-38 concerning depository institutions.
- (25) Violating IC 27-8-28-17(c) or IC 27-13-10-8(c) concerning the resolution of an appealed grievance decision.
- (26) Violating IC 27-8-5-2.5(e) through IC 27-8-5-2.5(j) (expired July 1, 2007, and removed) or IC 27-8-5-19.2 (expired July 1, 2007, and repealed).
- (27) Violating IC 27-2-21 concerning use of credit information.
- (28) Violating IC 27-4-9-3 concerning recommendations to consumers.
- (29) Engaging in dishonest or predatory insurance practices in marketing or sales of insurance to members of the United States Armed Forces as:
  - (A) described in the federal Military Personnel Financial Services Protection Act, P.L.109-290; or
  - (B) defined in rules adopted under subsection (b).
- (30) Violating IC 27-8-19.8-20.1 concerning stranger originated life insurance.
- (31) Violating IC 27-2-22 concerning retained asset accounts.
- (32) Violating IC 27-8-5-29 concerning health plans offered through a health benefit exchange (as defined in IC 27-19-2-8).
- (33) Violating a requirement of the federal Patient Protection and Affordable Care Act (P.L. 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (P.L. 111-152), that is enforceable by the state.
- (34) After June 30, 2015, violating IC 27-2-23 concerning unclaimed life insurance, annuity, or retained asset account benefits.
- (35) Willfully violating IC 27-1-12-46 concerning a life insurance



policy or certificate described in IC 27-1-12-46(a).

(36) Violating IC 27-1-37-7 concerning prohibiting the disclosure of health care service claims data.

(37) Violating IC 27-4-10-10 concerning virtual claims payments.

(38) Violating IC 27-1-24.5 concerning pharmacy benefit managers.

(39) Violating IC 27-7-17-16 or IC 27-7-17-17 concerning the marketing of travel insurance policies.

(40) Violating IC 27-1-49 concerning individual prescription drug rebates.

(41) Violating IC 27-1-50 concerning group prescription drug rebates.

**(42) Violating IC 27-1-37-11 concerning an administrative fee or penalty imposed on a health provider facility or a provider by a health carrier related to the provision of care to an individual that involves an out of network provider.**

(b) Except with respect to federal insurance programs under Subchapter III of Chapter 19 of Title 38 of the United States Code, the commissioner may, consistent with the federal Military Personnel Financial Services Protection Act (10 U.S.C. 992 note), adopt rules under IC 4-22-2 to:

(1) define; and

(2) while the members are on a United States military installation or elsewhere in Indiana, protect members of the United States Armed Forces from;

dishonest or predatory insurance practices.

**SECTION 3. An emergency is declared for this act."**

Page 1, delete lines 16 through 17.

Delete page 2.

and when so amended that said bill do pass.

(Reference is to SB 189 as introduced.)

BALDWIN, Chairperson

Committee Vote: Yeas 6, Nays 1.

**SB 189—LS 6811/DI 154**

