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SENATE BILL No. 189

Proposed Changes to introduced printing by AM018901

DIGEST OF PROPOSED AMENDMENT

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.

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 JULY 1, 2026]: 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
12 or a provider an administrative fee or penalty related to the
13 provision of care to an individual that involves an out of network
14 provider.
15 (c) If a health carrier assesses an administrative fee or penalty
16 under subsection (b), the ~~commissioner shall impose on the~~
17 >health carrier ~~a civil penalty that is equal to double the amount~~

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1 ~~of the administrative fee assessed by the health carrier.~~

2 ~~(d) The commissioner shall deposit a civil penalty collected~~
 3 ~~under subsection (e) in the department of insurance fund~~
 4 ~~established by IC 27-1-3-28. [commits an unfair and deceptive act~~
 5 ~~or practice in the business of insurance under IC 27-4-1-4 and is~~
 6 ~~subject to the penalties and procedures set forth in IC 27-4-1.~~

7 SECTION 2. IC 27-4-1-4, AS AMENDED BY P.L.158-2024,
 8 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2026]: Sec. 4. (a) The following are hereby defined as unfair
 10 methods of competition and unfair and deceptive acts and practices in
 11 the business of insurance:

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

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

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

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

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

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

30 (2) Making, publishing, disseminating, circulating, or placing
 31 before the public, or causing, directly or indirectly, to be made,
 32 published, disseminated, circulated, or placed before the public,
 33 in a newspaper, magazine, or other publication, or in the form of
 34 a notice, circular, pamphlet, letter, or poster, or over any radio or
 35 television station, or in any other way, an advertisement,
 36 announcement, or statement containing any assertion,
 37 representation, or statement with respect to any person in the
 38 conduct of the person's insurance business, which is untrue,
 39 deceptive, or misleading.

40 (3) Making, publishing, disseminating, or circulating, directly or
 41 indirectly, or aiding, abetting, or encouraging the making,
 42 publishing, disseminating, or circulating of any oral or written



1 statement or any pamphlet, circular, article, or literature which
 2 is false, or maliciously critical of or derogatory to the financial
 3 condition of an insurer, and which is calculated to injure any
 4 person engaged in the business of insurance.

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

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

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

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

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

40 (B) Unfair discrimination between individuals of the same
 41 class involving essentially the same hazards in the amount
 42 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.



1 or any valuable consideration or inducement whatever not
 2 specified in the contract or policy; or giving, or selling, or
 3 purchasing or offering to give, sell, or purchase as inducement
 4 to such insurance or annuity or in connection therewith, any
 5 stocks, bonds, or other securities of any insurance company or
 6 other corporation, association, limited liability company, or
 7 partnership, or any dividends, savings, or profits accrued
 8 thereon, or anything of value whatsoever not specified in the
 9 contract. Nothing in this subdivision and subdivision (7) shall be
 10 construed as including within the definition of discrimination or
 11 rebates any of the following practices:

12 (A) Paying bonuses to policyholders or otherwise abating
 13 their premiums in whole or in part out of surplus
 14 accumulated from nonparticipating insurance, so long as
 15 any such bonuses or abatement of premiums are fair and
 16 equitable to policyholders and for the best interests of the
 17 company and its policyholders.

18 (B) In the case of life insurance policies issued on the
 19 industrial debit plan, making allowance to policyholders
 20 who have continuously for a specified period made
 21 premium payments directly to an office of the insurer in an
 22 amount which fairly represents the saving in collection
 23 expense.

24 (C) Readjustment of the rate of premium for a group
 25 insurance policy based on the loss or expense experience
 26 thereunder, at the end of the first year or of any subsequent
 27 year of insurance thereunder, which may be made
 28 retroactive only for such policy year.

29 (D) Paying by an insurer or insurance producer thereof duly
 30 licensed as such under the laws of this state of money,
 31 commission, or brokerage, or giving or allowing by an
 32 insurer or such licensed insurance producer thereof
 33 anything of value, for or on account of the solicitation or
 34 negotiation of policies or other contracts of any kind or
 35 kinds, to a broker, an insurance producer, or a solicitor duly
 36 licensed under the laws of this state, but such broker,
 37 insurance producer, or solicitor receiving such
 38 consideration shall not pay, give, or allow credit for such
 39 consideration as received in whole or in part, directly or
 40 indirectly, to the insured by way of rebate.

41 (9) Requiring, as a condition precedent to loaning money upon
 42 the security of a mortgage upon real property, that the owner of



1 the property to whom the money is to be loaned negotiate any
 2 policy of insurance covering such real property through a
 3 particular insurance producer or broker or brokers. However, this
 4 subdivision shall not prevent the exercise by any lender of the
 5 lender's right to approve or disapprove of the insurance company
 6 selected by the borrower to underwrite the insurance.

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

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

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

34 (13) Issuing, offering, or participating in a plan to issue or offer,
 35 any policy or certificate of insurance of any kind or character as
 36 an inducement to the purchase of any property, real, personal, or
 37 mixed, or services of any kind, where a charge to the insured is
 38 not made for and on account of such policy or certificate of
 39 insurance. However, this subdivision shall not apply to any of
 40 the following:

41 (A) Insurance issued to credit unions or members of credit
 42 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

(ii) injuries 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.

using, because of the for profit status of a hospital or

(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.

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- (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

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1 disclosure of health care service claims data.
2 (37) Violating IC 27-4-10-10 concerning virtual claims
3 payments.
4 (38) Violating IC 27-1-24.5 concerning pharmacy benefit
5 managers.
6 (39) Violating IC 27-7-17-16 or IC 27-7-17-17 concerning the
7 marketing of travel insurance policies.
8 (40) Violating IC 27-1-49 concerning individual prescription
9 drug rebates.
10 (41) Violating IC 27-1-50 concerning group prescription drug
11 rebates.
12 **(42) Violating IC 27-1-37-11 concerning an administrative**
13 **fee or penalty imposed on a health provider facility or a**
14 **provider by a health carrier related to the provision of care**
15 **to an individual that involves an out of network provider.**
16 (b) Except with respect to federal insurance programs under
17 Subchapter III of Chapter 19 of Title 38 of the United States Code, the
18 commissioner may, consistent with the federal Military Personnel
19 Financial Services Protection Act (10 U.S.C. 992 note), adopt rules
20 under IC 4-22-2 to:
21 (1) define; and
22 (2) while the members are on a United States military
23 installation or elsewhere in Indiana, protect members of the
24 United States Armed Forces from;
25 dishonest or predatory insurance practices.
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