

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7302

BILL NUMBER: HB 1572

NOTE PREPARED: Jan 11, 2007

BILL AMENDED:

SUBJECT: Various insurance matters.

FIRST AUTHOR: Rep. Fry

FIRST SPONSOR:

BILL STATUS: As Introduced

**FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL**

IMPACT: State

Summary of Legislation: This bill provides that the Department of Insurance (DOI) sets the amount charged for copies of medical records. The bill specifies requirements for assets in a segregated investment account for a funding agreement. It times preexisting condition provisions in an accident and sickness insurance policy from the effective date rather than the enrollment date. The bill amends various mandated benefit statutes defining "accident and sickness" policy to standardize the list of the types of policies that are not included in the use of the term. The bill makes various other amendments concerning accident and sickness insurance policies, travel accident policies, short term health policies, and long term care insurance producer compensation. It establishes an interim study committee to create a definition of "health insurance" for purposes of the law concerning accident and sickness insurance and health maintenance organization (HMO) contracts.

Effective Date: July 1, 2007.

Explanation of State Expenditures: *Department of Insurance (DOI):* Administrative expenses of the DOI would be affected to the extent that the DOI would have to change rules and notify interested parties of the changes or clarifications. However, it is expected that the DOI would be able to cover any additional expenses given its current budget and resources.

Interim Study Committee: The bill establishes the Health Insurance Interim Study Committee to define "health insurance". The committee must only study and make recommendations to the General Assembly concerning the manner in which accident and sickness insurance policies, self-insured plans, and HMO contracts that provide coverage for health care services are defined in the Indiana Code.

The committee consists of 4 members of the House of Representatives and 4 members of the Senate. The committee must operate under the policies governing study committees adopted by the Legislative Council. The committee must submit a final report to the Legislative Council not later than October 31, 2007. The committee expires December 31, 2007.

Interim study committees are subject to an annual \$9,500 budget for a committee of 8 members. Per diem, mileage, and travel allowances are paid from state General Fund appropriations made to the Legislative Council or the Legislative Services Agency (LSA). LSA would provide administrative support.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: LSA.

Local Agencies Affected:

Information Sources:

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