



Reprinted
February 20, 2025

SENATE BILL No. 140

DIGEST OF SB 140 (Updated February 19, 2025 2:43 pm - DI 154)

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

Synopsis: Pharmacy benefits. Requires an insurer, a pharmacy benefit manager, or any other administrator of pharmacy benefits to ensure that a network utilized by the insurer, pharmacy benefit manager, or other administrator is reasonably adequate and accessible and file an annual report regarding the networks with the commissioner. Sets forth certain limitations and requirements with respect to the provision of pharmacy or pharmacist services under a health plan. Allows any insured, pharmacy, or pharmacist impacted by an alleged violation to file a
(Continued next page)

Effective: January 1, 2026; July 1, 2026.

**Charbonneau, Johnson T, Zay,
Randolph Lonnie M, Byrne**

January 8, 2025, read first time and referred to Committee on Health and Provider Services.

January 23, 2025, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.

February 13, 2025, amended, reported favorably — Do Pass.

February 18, 2025, read second time, ordered engrossed. Engrossed. Returned to second reading.

February 19, 2025, re-read second time, amended, ordered engrossed.

SB 140—LS 6503/DI 141



Digest Continued

complaint with the commissioner. Provides that the commissioner may order reimbursement to any person who has incurred a monetary loss as a result of a violation. Prohibits a health carrier and a pharmacy benefit manager from contracting to provide services under a policy of health insurance coverage if the health carrier has an ownership interest in the pharmacy benefit manager. Prohibits a pharmacy benefit manager from providing services under a policy of health insurance coverage for a health carrier that has an ownership interest in the pharmacy benefit manager. Requires, if a pharmacy benefit manager is used with regard to a state employee health plan, the state personnel department to either create a pharmacy benefit manager or contract with an insurer, a pharmacy benefit manager, or other administrator. Repeals a superseded provision relating to equal access and incentives to pharmacies within a pharmacy benefit manager's network.



Reprinted
February 20, 2025

First Regular Session of the 124th General Assembly (2025)

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 2024 Regular Session of the General Assembly.

SENATE BILL No. 140

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 27-1-7-2.5 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2026]: **Sec. 2.5. (a) This section applies to a policy of health**
- 4 **insurance coverage that is issued, delivered, amended, or renewed**
- 5 **after June 30, 2026.**
- 6 **(b) As used in this section, "health carrier" has the meaning set**
- 7 **forth in IC 27-1-46-3.**
- 8 **(c) A health carrier may not contract with, enter into an**
- 9 **agreement with, or use a pharmacy benefit manager to provide**
- 10 **services for a policy of health insurance coverage described in**
- 11 **subsection (a) if the health carrier has an ownership interest in the**
- 12 **pharmacy benefit manager.**
- 13 **(d) A person that willfully violates this section commits an**
- 14 **unfair and deceptive act or practice in the business of insurance**
- 15 **under IC 27-4-1-4 and is subject to the penalties and procedures set**
- 16 **forth in IC 27-4-1.**
- 17 SECTION 2. IC 27-1-24.5-18.5 IS ADDED TO THE INDIANA

SB 140—LS 6503/DI 141



CODE AS A NEW SECTION TO READ AS FOLLOWS
 [EFFECTIVE JULY 1, 2026]: **Sec. 18.5. (a) This section applies to a policy of health insurance coverage that is issued, delivered, amended, or renewed after June 30, 2026.**

(b) As used in this section, "health carrier" has the meaning set forth in IC 27-1-46-3.

(c) A pharmacy benefit manager licensed under this chapter may not provide services under a policy of health insurance coverage for a health carrier that has an ownership interest in the pharmacy benefit manager.

SECTION 3. IC 27-1-24.5-18.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 18.7. A pharmacy benefit manager licensed under this chapter may not have an ownership interest in a pharmacy.**

SECTION 4. IC 27-1-24.5-19 IS REPEALED [EFFECTIVE JANUARY 1, 2026]. ~~Sec. 19: (a) A pharmacy benefit manager shall provide equal access and incentives to all pharmacies within the pharmacy benefit manager's network:~~

~~(b) A pharmacy benefit manager may not do any of the following:~~

~~(1) Condition participation in any network on accreditation, credentialing, or licensing of a pharmacy; other than a license or permit required by the Indiana board of pharmacy or other state or federal regulatory authority for the services provided by the pharmacy. However, nothing in this subdivision precludes the department from providing credentialing or accreditation standards for pharmacies.~~

~~(2) Discriminate against any pharmacy.~~

~~(3) Directly or indirectly retroactively deny a claim or aggregate of claims after the claim or aggregate of claims has been adjudicated, unless any of the following apply:~~

~~(A) The original claim was submitted fraudulently.~~

~~(B) The original claim payment was incorrect because the pharmacy or pharmacist had already been paid for the drug.~~

~~(C) The pharmacist services were not properly rendered by the pharmacy or pharmacist.~~

~~(4) Reduce, directly or indirectly, payment to a pharmacy for pharmacist services to an effective rate of reimbursement, including permitting an insurer or plan sponsor to make such a reduction.~~

~~(5) Reimburse a pharmacy that is affiliated with the pharmacy benefit manager, other than solely being included in the pharmacy~~



benefit manager's network; at a greater reimbursement rate than other pharmacies in the same network.

(6) Impose limits, including quantity limits or refill frequency limits, on a pharmacy's access to medication that differ from those existing for a pharmacy benefit manager affiliate.

(7) Share any covered individual's information, including de-identified covered individual information, received from a pharmacy or pharmacy benefit manager affiliate, except as permitted by the federal Health Insurance Portability and Accountability Act (HIPAA) (P.L.104-191).

A violation of this subsection by a pharmacy benefit manager constitutes an unfair or deceptive act or practice in the business of insurance under IC 27-4-1-4.

SECTION 5. IC 27-1-24.6 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026]:

Chapter 24.6. Pharmacy Benefits

Sec. 1. This chapter applies to a policy or contract that is issued, delivered, entered into, renewed, or amended after December 31, 2025.

Sec. 2. As used in this chapter, "actual overpayment" means the portion of any amount paid for pharmacy or pharmacist services that:

(1) is duplicative because the pharmacy or pharmacist has already been paid for the services; or

(2) was erroneously paid because the services were not rendered in accordance with the prescriber's order, in which case only the amount paid for the portion of the prescription that was filled incorrectly or in excess of the prescriber's order is deemed an actual overpayment.

Sec. 3. As used in this chapter, "ambulatory pharmacy" means a pharmacy that:

(1) is open to the general public; and

(2) dispenses outpatient prescription drugs.

Sec. 4. As used in this chapter, "common control" includes:

(1) sharing common management or managers; and

(2) having common members on boards of directors.

Sec. 5. As used in this chapter, "cost sharing" means the cost to an insured under a health plan according to any coverage limit, copayment, coinsurance, deductible, or other out-of-pocket expense requirements imposed by the health plan.

Sec. 6. (a) As used in this chapter, "health plan" means the



following:

- (1) A state employee health plan (as defined in IC 5-10-8-6.7).
- (2) A policy of accident and sickness insurance (as defined in IC 27-8-5-1). However, the term does not include the coverages described in IC 27-8-5-2.5(a).
- (3) An individual contract (as defined in IC 27-13-1-21) or a group contract (as defined in IC 27-13-1-16) that provides coverage for basic health care services (as defined in IC 27-13-1-4).
- (4) Any other plan or program that provides payment, reimbursement, or indemnification to a covered individual for the cost of prescription drugs.

(b) The term does not include the following:

- (1) A self-insured health plan provided by a hospital or health system to its employees and dependents of employees if the hospital or health system owns a pharmacy.
- (2) A prescription drug plan established under Medicare Part D.

Sec. 7. As used in this chapter, "insured" means an individual covered under a health plan.

Sec. 8. (a) As used in this chapter, "insurer" means any of the following that offer or issue a health plan:

- (1) An insurance company.
- (2) A health maintenance organization.
- (3) A limited health service organization.
- (4) A self-insurer, including a governmental plan, church plan, or multiple employer welfare arrangement.
- (5) A provider sponsored integrated health delivery network.
- (6) A self-insured employer organized association.
- (7) A nonprofit hospital, medical-surgical, dental, and health service corporation.
- (8) Any other third party payor that is:
 - (A) authorized to transact health insurance business in Indiana; or
 - (B) not exempt by federal law from regulation under the insurance laws of Indiana.

(b) The term includes any person or entity that has contracted with a state or federal agency to provide coverage under a health plan.

Sec. 9. As used in this chapter, "national drug code number" means the unique national drug code number that identifies:

- (1) a specific approved drug;



(2) the manufacturer of the drug; and

(3) the package presentation of the drug.

Sec. 10. As used in this chapter, "net amount" means the amount paid to a pharmacy or pharmacist by the insurer, pharmacy benefit manager, or other administrator minus:

(1) any fees;

(2) any price concessions; and

(3) all other revenue;

passing from the pharmacy or pharmacist to the insurer, pharmacy benefit manager, or other administrator.

Sec. 11. As used in this chapter, "pharmacy" has the meaning set forth in IC 25-26-13-2.

Sec. 12. As used in this chapter, "pharmacy affiliate" means a pharmacy, including a specialty pharmacy, that directly or indirectly, through one (1) or more intermediaries:

(1) owns or controls;

(2) is owned or controlled by; or

(3) is under common ownership or common control with;

an insurer, a pharmacy benefit manager, or other administrator of pharmacy benefits.

Sec. 13. As used in this chapter, "pharmacy benefit manager" has the meaning set forth in IC 27-1-24.5-12.

Sec. 14. (a) As used in this chapter, "pharmacy or pharmacist services" means any:

(1) health care procedures or treatments within the scope of practice of a pharmacist; or

(2) services provided by a pharmacy or pharmacist.

(b) The term includes the sale and provision of the following by a pharmacy or pharmacist:

(1) Prescription drugs.

(2) Home medical equipment (as defined in IC 25-26-21-2).

Sec. 15. As used in this chapter, "wholesale acquisition cost":

(1) means the manufacturer's list price for a drug to wholesalers or direct purchasers in the United States for the most recent month for which the information is available, as reported in wholesale price guides or other publications of drug pricing data; and

(2) does not include prompt pay or other discounts, rebates, or reductions in price.

Sec. 16. (a) An insurer, a pharmacy benefit manager, or any other administrator of pharmacy benefits that utilizes a network to provide pharmacy or pharmacist services under a health plan



1 shall ensure that the network is reasonably adequate and accessible
2 with respect to the provision of pharmacy or pharmacist services.

3 (b) A reasonably adequate and accessible network with respect
4 to the provision of pharmacy or pharmacist services must, at a
5 minimum:

6 (1) offer an adequate number of accessible pharmacies that
7 are not mail order pharmacies; and

8 (2) provide convenient access to pharmacies that are not mail
9 order pharmacies within a reasonable distance of not more
10 than thirty (30) miles from each insured's residence, to the
11 extent that pharmacy or pharmacist services are available.

12 (c) An insurer, a pharmacy benefit manager, and any other
13 administrator of pharmacy benefits shall file an annual report with
14 the commissioner in a manner and form prescribed by the
15 commissioner. The annual report must describe the networks of
16 the insurer, pharmacy benefit manager, or other administrator
17 that are utilized for the provision of pharmacy or pharmacist
18 services under a health plan.

19 (d) The commissioner shall review each network reported under
20 subsection (c) to ensure that the network complies with this section.

21 (e) All information and data acquired by the department under
22 this section that is generally recognized as confidential or
23 proprietary is confidential for the purposes of IC 5-14-3-4 and may
24 not be disclosed by the department. However, the department may
25 publicly disclose aggregated information that is not descriptive of
26 any readily identifiable person or entity.

27 Sec. 17. (a) A contract between a pharmacy or pharmacist and
28 an insurer, a pharmacy benefit manager, or any other
29 administrator of pharmacy benefits for the provision of pharmacy
30 or pharmacist services under a health plan, either directly or
31 through a pharmacy services administrative organization or group
32 purchasing organization, must include provisions that do the
33 following:

34 (1) Outline the terms and conditions for the provision of
35 pharmacy or pharmacist services.

36 (2) Prohibit the insurer, pharmacy benefit manager, or other
37 administrator from doing the following:

38 (A) Reducing payment for pharmacy or pharmacist
39 services, directly or indirectly, under a reconciliation
40 process to an effective rate of reimbursement, including
41 creating, imposing, or establishing:

42 (i) direct or indirect remuneration fees;



- 1 (ii) generic effective rates;
- 2 (iii) dispensing effective rates;
- 3 (iv) brand effective rates;
- 4 (v) any other effective rates;
- 5 (vi) in network fees;
- 6 (vii) performance fees;
- 7 (viii) point of sale fees;
- 8 (ix) retroactive fees;
- 9 (x) preadjudication fees;
- 10 (xi) post-adjudication fees; and
- 11 (xii) any other mechanism that reduces or aggregately
- 12 reduces payment for pharmacy or pharmacist services.
- 13 (B) Subject to subsection (b), retroactively denying,
- 14 reducing reimbursement for, or seeking any refunds or
- 15 recoupments for a claim for pharmacy or pharmacist
- 16 services, in whole or in part, from the pharmacy or
- 17 pharmacist after returning a paid claim response as part
- 18 of the adjudication of the claim, including claims for the
- 19 cost of a medication or dispensed product and claims for
- 20 pharmacy or pharmacist services that are deemed
- 21 ineligible for coverage, unless:
- 22 (i) the original claim was submitted fraudulently; or
- 23 (ii) the pharmacy or pharmacist received an actual
- 24 overpayment.
- 25 (C) Reimbursing the pharmacy or pharmacist for a
- 26 prescription drug or other service at a net amount that is
- 27 less than the greater of:
- 28 (i) the amount the insurer, pharmacy benefit manager,
- 29 or other administrator reimburses itself or a pharmacy
- 30 affiliate for the same prescription drug by national code
- 31 number or service; or
- 32 (ii) the pharmacy's acquisition cost reported by the
- 33 pharmacy or pharmacist for the prescription drug by
- 34 national code number or service plus a professional
- 35 dispensing fee equal to the Medicaid fee for service
- 36 dispensing fee under 405 IAC 5-24-6.
- 37 (D) Collecting cost sharing from a pharmacy or
- 38 pharmacist that was provided to the pharmacy or
- 39 pharmacist by an insured for the provision of pharmacy or
- 40 pharmacist services under the health plan.
- 41 (E) Designating a prescription drug as a specialty drug
- 42 unless the drug is a limited distribution drug that:



1 (i) requires special handling; and

2 (ii) is not commonly carried at retail pharmacies or
3 oncology clinics or practices.

4 (b) An insurer, a pharmacy benefit manager, or any other
5 administrator of pharmacy benefits may not request a refund or
6 make a recoupment of a dispensing fee paid to the pharmacy if the
7 correct medication was dispensed to the patient.

8 Sec. 18. (a) As used in this section, "interfere" includes:

9 (1) inducing;

10 (2) steering;

11 (3) offering financial or other incentives; and

12 (4) imposing a penalty.

13 (b) Except as provided in section 17 of this chapter, with respect
14 to the provision of pharmacy or pharmacist services under a health
15 plan, an insurer, a pharmacy benefit manager, or any other
16 administrator of pharmacy benefits:

17 (1) may not:

18 (A) require or incentivize an insured to use a mail order
19 pharmaceutical distribution, including a mail order
20 pharmacy, such as imposing any cost sharing requirement,
21 fee, drug supply limitation, or other condition relating to
22 pharmacy or pharmacist services received from a retail
23 pharmacy that is greater, or more restrictive, than what
24 would otherwise be imposed if the insured used a mail
25 order pharmaceutical distributor, including a mail order
26 pharmacy;

27 (B) prohibit a pharmacy or pharmacist from, or impose a
28 penalty on a pharmacy or pharmacist for:

29 (i) selling a lower cost alternative to an insured, if a
30 lower cost alternative is available; or

31 (ii) providing information to an insured under subsection
32 (d);

33 (C) discriminate against any pharmacy or pharmacist that
34 is:

35 (i) located within the geographic coverage area of the
36 health plan; and

37 (ii) willing to agree to, or accept, reasonable terms and
38 conditions established for participation in the insurer's,
39 pharmacy benefit manager's, other administrator's, or
40 health plan's network;

41 (D) impose limits, including quantity limits or refill
42 frequency limits, on an insured's access to medication from



a pharmacy that are more restrictive than those existing for a pharmacy affiliate;

(E) subject to subsection (c), require or incentivize an insured to receive pharmacy or pharmacist services from a pharmacy affiliate, including:

(i) requiring or incentivizing an insured to obtain a specialty drug from a pharmacy affiliate;

(ii) charging less cost sharing to insureds that use pharmacy affiliates than what is charged to insureds that use nonaffiliated pharmacies; and

(iii) providing any incentives for insureds that use pharmacy affiliates that are not provided for insureds that use nonaffiliated pharmacies;

(F) interfere with an insured's right to choose the insured's network pharmacy of choice, such as:

(i) promoting one (1) participating pharmacy over another;

(ii) offering a monetary advantage;

(iii) charging higher cost sharing; and

(iv) reducing an insured's allowable reimbursement for pharmacy or pharmacist services;

(G) require a pharmacy or pharmacist to enter into an additional contract with an affiliate of the insurer, pharmacy benefit manager, or other administrator of pharmacy benefits as a condition of entering into a contract with this insurer, pharmacy benefit manager, or administrator; or

(H) require a pharmacy or pharmacist to, as a condition of a contract, agree to payment rates for any affiliate of the insurer, pharmacy benefit manager, or other administrator of pharmacy benefits that is not a party to the contract; and

(2) shall:

(A) provide equal access and incentives to all pharmacies within the insurer's, pharmacy benefit manager's, other administrator's, or health plan's network; and

(B) offer all pharmacies located in the health plan's geographic coverage area eligibility to participate in the insurer's, pharmacy benefit manager's, other administrator's, or health plan's network under identical reimbursement terms for the provision of pharmacy or pharmacist services.



(c) Subsection (b)(1)(E) may not be construed to prohibit:

(1) communications to insureds regarding networks and prices if the communication is accurate and includes information about all eligible nonaffiliated pharmacies; or

(2) an insurer, a pharmacy benefit manager, or any other administrator of pharmacy benefits from:

(A) requiring an insured to utilize a network that may include pharmacy affiliates in order to receive coverage under the health plan; or

(B) providing financial incentives for utilizing the network, if the insurer, pharmacy benefit manager, or other administrator complies with this section and section 16 of this chapter.

(d) A pharmacist shall have the right to provide an insured with information regarding lower cost alternatives to assist the insured in making informed decisions.

Sec. 19. (a) Any insured, pharmacy, or pharmacist impacted by an alleged violation of this chapter may file a complaint with the commissioner.

(b) The commissioner shall:

(1) review and investigate all complaints filed under this section;

(2) issue, in writing, a determination to the insured, pharmacy, or pharmacist as to whether a violation occurred; and

(3) for alleged violations of section 17(a)(2)(E) of this chapter, consult with the Indiana board of pharmacy in making the determination of whether a violation occurred.

(c) An insurer, a pharmacy benefit manager, or any other administrator of pharmacy benefits shall:

(1) respond to; and

(2) comply with;

any requests made by the commissioner under this section.

Sec. 20. (a) This section applies to a state employee health plan (as defined in IC 5-10-8-6.7). If a pharmacy benefit manager is used with regard to a state employee health plan, the state personnel department shall either:

(1) create a pharmacy benefit manager within the state personnel department; or

(2) contract with an insurer, a pharmacy benefit manager, or any other administrator of pharmacy benefits.

(b) All data collected by a contractor while administering a



1 **contract under subsection (a)(2) is the property of the state.**

2 **Sec. 21. In addition to any other remedies, penalties, or damages**
 3 **available under common law or statute, the commissioner may**
 4 **order reimbursement to any person who has incurred a monetary**
 5 **loss as a result of a violation of this chapter.**

6 **Sec. 22. This chapter applies to the extent that it is not in conflict**
 7 **with federal law.**

8 SECTION 6. IC 27-4-1-4, AS AMENDED BY P.L.158-2024,
 9 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2026]: Sec. 4. (a) The following are hereby defined as unfair
 11 methods of competition and unfair and deceptive acts and practices in
 12 the business of insurance:

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

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

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

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

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

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

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

41 (3) Making, publishing, disseminating, or circulating, directly or
 42 indirectly, or aiding, abetting, or encouraging the making,



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

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

10 (5) Filing with any supervisory or other public official, or making,
 11 publishing, disseminating, circulating, or delivering to any person,
 12 or placing before the public, or causing directly or indirectly, to
 13 be made, published, disseminated, circulated, delivered to any
 14 person, or placed before the public, any false statement of
 15 financial condition of an insurer with intent to deceive. Making
 16 any false entry in any book, report, or statement of any insurer
 17 with intent to deceive any agent or examiner lawfully appointed
 18 to examine into its condition or into any of its affairs, or any
 19 public official to which such insurer is required by law to report,
 20 or which has authority by law to examine into its condition or into
 21 any of its affairs, or, with like intent, willfully omitting to make a
 22 true entry of any material fact pertaining to the business of such
 23 insurer in any book, report, or statement of 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 assessments
 33 charged for any contract of life insurance or of life annuity or
 34 in the dividends or other benefits payable thereon, or in any
 35 other of the terms and conditions of such contract. However,
 36 in determining the class, consideration may be given to the
 37 nature of the risk, plan of insurance, the actual or expected
 38 expense of conducting the business, or any other relevant
 39 factor.

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



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

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

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

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

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

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



1 selected by the borrower to underwrite the insurance.

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

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

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

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

36 (A) Insurance issued to credit unions or members of credit
37 unions in connection with the purchase of shares in such credit
38 unions.

39 (B) Insurance employed as a means of guaranteeing the
40 performance of goods and designed to benefit the purchasers
41 or users of such goods.

42 (C) Title insurance.



- 1 (D) Insurance written in connection with an indebtedness and
- 2 intended as a means of repaying such indebtedness in the
- 3 event of the death or disability of the insured.
- 4 (E) Insurance provided by or through motorists service clubs
- 5 or associations.
- 6 (F) Insurance that is provided to the purchaser or holder of an
- 7 air transportation ticket and that:
- 8 (i) insures against death or nonfatal injury that occurs during
- 9 the flight to which the ticket relates;
- 10 (ii) insures against personal injury or property damage that
- 11 occurs during travel to or from the airport in a common
- 12 carrier immediately before or after the flight;
- 13 (iii) insures against baggage loss during the flight to which
- 14 the ticket relates; or
- 15 (iv) insures against a flight cancellation to which the ticket
- 16 relates.
- 17 (14) Refusing, because of the for-profit status of a hospital or
- 18 medical facility, to make payments otherwise required to be made
- 19 under a contract or policy of insurance for charges incurred by an
- 20 insured in such a for-profit hospital or other for-profit medical
- 21 facility licensed by the Indiana department of health.
- 22 (15) Refusing to insure an individual, refusing to continue to issue
- 23 insurance to an individual, limiting the amount, extent, or kind of
- 24 coverage available to an individual, or charging an individual a
- 25 different rate for the same coverage, solely because of that
- 26 individual's blindness or partial blindness, except where the
- 27 refusal, limitation, or rate differential is based on sound actuarial
- 28 principles or is related to actual or reasonably anticipated
- 29 experience.
- 30 (16) Committing or performing, with such frequency as to
- 31 indicate a general practice, unfair claim settlement practices (as
- 32 defined in section 4.5 of this chapter).
- 33 (17) Between policy renewal dates, unilaterally canceling an
- 34 individual's coverage under an individual or group health
- 35 insurance policy solely because of the individual's medical or
- 36 physical condition.
- 37 (18) Using a policy form or rider that would permit a cancellation
- 38 of coverage as described in subdivision (17).
- 39 (19) Violating IC 27-1-22-25, IC 27-1-22-26, or IC 27-1-22-26.1
- 40 concerning motor vehicle insurance rates.
- 41 (20) Violating IC 27-8-21-2 concerning advertisements referring
- 42 to interest rate guarantees.



- 1 (21) Violating IC 27-8-24.3 concerning insurance and health plan
- 2 coverage for victims of abuse.
- 3 (22) Violating IC 27-8-26 concerning genetic screening or testing.
- 4 (23) Violating IC 27-1-15.6-3(b) concerning licensure of
- 5 insurance producers.
- 6 (24) Violating IC 27-1-38 concerning depository institutions.
- 7 (25) Violating IC 27-8-28-17(c) or IC 27-13-10-8(c) concerning
- 8 the resolution of an appealed grievance decision.
- 9 (26) Violating IC 27-8-5-2.5(e) through IC 27-8-5-2.5(j) (expired
- 10 July 1, 2007, and removed) or IC 27-8-5-19.2 (expired July 1,
- 11 2007, and repealed).
- 12 (27) Violating IC 27-2-21 concerning use of credit information.
- 13 (28) Violating IC 27-4-9-3 concerning recommendations to
- 14 consumers.
- 15 (29) Engaging in dishonest or predatory insurance practices in
- 16 marketing or sales of insurance to members of the United States
- 17 Armed Forces as:
- 18 (A) described in the federal Military Personnel Financial
- 19 Services Protection Act, P.L.109-290; or
- 20 (B) defined in rules adopted under subsection (b).
- 21 (30) Violating IC 27-8-19.8-20.1 concerning stranger originated
- 22 life insurance.
- 23 (31) Violating IC 27-2-22 concerning retained asset accounts.
- 24 (32) Violating IC 27-8-5-29 concerning health plans offered
- 25 through a health benefit exchange (as defined in IC 27-19-2-8).
- 26 (33) Violating a requirement of the federal Patient Protection and
- 27 Affordable Care Act (P.L. 111-148), as amended by the federal
- 28 Health Care and Education Reconciliation Act of 2010 (P.L.
- 29 111-152), that is enforceable by the state.
- 30 (34) After June 30, 2015, violating IC 27-2-23 concerning
- 31 unclaimed life insurance, annuity, or retained asset account
- 32 benefits.
- 33 (35) Willfully violating IC 27-1-12-46 concerning a life insurance
- 34 policy or certificate described in IC 27-1-12-46(a).
- 35 (36) Violating IC 27-1-37-7 concerning prohibiting the disclosure
- 36 of health care service claims data.
- 37 (37) Violating IC 27-4-10-10 concerning virtual claims payments.
- 38 (38) Violating IC 27-1-24.5 concerning pharmacy benefit
- 39 managers.
- 40 (39) Violating IC 27-7-17-16 or IC 27-7-17-17 concerning the
- 41 marketing of travel insurance policies.
- 42 (40) Violating IC 27-1-49 concerning individual prescription drug



1 rebates.

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

4 **(42) Violating IC 27-1-7-2.5 concerning a health carrier**
5 **contracting with a pharmacy benefit manager in which the**
6 **health carrier has an ownership interest.**

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

12 (1) define; and

13 (2) while the members are on a United States military installation
14 or elsewhere in Indiana, protect members of the United States
15 Armed Forces from;
16 dishonest or predatory insurance practices.



COMMITTEE REPORT

Mr. President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 140, 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:

Page 2, line 28, delete "and".

Page 2, line 30, delete "IC 27-1-24.5-12)." and insert **"IC 27-1-24.5-12); and**

(3) provides interoperability in the manner in which the data is reported."

Page 7, line 4, delete "administration" and insert **"administrative"**.

Page 10, line 35, delete "or".

Page 11, line 1, delete "and".

Page 11, between lines 1 and 2, begin a new line double block indented and insert:

"(G) require a pharmacy or pharmacist to enter into an additional contract with an affiliate of the insurer, pharmacy benefit manager, or other administrator of pharmacy benefits as a condition of entering into a contract with this insurer, pharmacy benefit manager, or administrator; or

(H) require a pharmacy or pharmacist to, as a condition of a contract, agree to payment rates for any affiliate of the insurer, pharmacy benefit manager, or other administrator of pharmacy benefits that is not a party to the contract; and"

and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 140 as introduced.)

CHARBONNEAU, Chairperson

Committee Vote: Yeas 10, Nays 1.



COMMITTEE REPORT

Mr. President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 140, 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:

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 32.

Page 9, delete lines 14 through 31.

Page 9, line 32, delete "19." and insert "18.".

Page 11, line 41, delete "20." and insert "19.".

Page 12, between lines 15 and 16, begin a new paragraph and insert:

"Sec. 20. (a) This section applies to a state employee health plan (as defined in IC 5-10-8-6.7). If a pharmacy benefit manager is used with regard to a state employee health plan, the commissioner shall either:

(1) create a pharmacy benefit manager within the department; or

(2) contract with an insurer, a pharmacy benefit manager, or any other administrator of pharmacy benefits.

(b) All data collected by a contractor while administering a contract under subsection (a)(2) is the property of the state."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 140 as printed January 24, 2025.)

MISHLER, Chairperson

Committee Vote: Yeas 13, Nays 0.

 SENATE MOTION

Mr. President: I move that Engrossed Senate Bill 140, which is eligible for third reading, be returned to second reading for purposes of amendment.

CHARBONNEAU

SB 140—LS 6503/DI 141



SENATE MOTION

Mr. President: I move that Senate Bill 140 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 27-1-7-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 2.5. (a) This section applies to a policy of health insurance coverage that is issued, delivered, amended, or renewed after June 30, 2026.**

(b) As used in this section, "health carrier" has the meaning set forth in IC 27-1-46-3.

(c) A health carrier may not contract with, enter into an agreement with, or use a pharmacy benefit manager to provide services for a policy of health insurance coverage described in subsection (a) if the health carrier has an ownership interest in the pharmacy benefit manager.

(d) A person that willfully violates this section 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 27-1-24.5-18.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 18.5. (a) This section applies to a policy of health insurance coverage that is issued, delivered, amended, or renewed after June 30, 2026.**

(b) As used in this section, "health carrier" has the meaning set forth in IC 27-1-46-3.

(c) A pharmacy benefit manager licensed under this chapter may not provide services under a policy of health insurance coverage for a health carrier that has an ownership interest in the pharmacy benefit manager.

SECTION 3. IC 27-1-24.5-18.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 18.7. A pharmacy benefit manager licensed under this chapter may not have an ownership interest in a pharmacy."**

Page 6, between lines 34 and 35, begin a new line double block indented and insert:

"(C) Reimbursing the pharmacy or pharmacist for a prescription drug or other service at a net amount that is



less than the greater of:

- (i) the amount the insurer, pharmacy benefit manager, or other administrator reimburses itself or a pharmacy affiliate for the same prescription drug by national code number or service; or**
- (ii) the pharmacy's acquisition cost reported by the pharmacy or pharmacist for the prescription drug by national code number or service plus a professional dispensing fee equal to the Medicaid fee for service dispensing fee under 405 IAC 5-24-6."**

Page 6, delete lines 35 through 41.

Page 7, delete lines 9 through 42.

Page 8, delete lines 1 through 2.

Page 11, after line 6, begin a new paragraph and insert:

"SECTION 6. IC 27-4-1-4, AS AMENDED BY P.L.158-2024, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: 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 27-1-7-2.5 concerning a health carrier contracting with a pharmacy benefit manager in which the health carrier has an ownership interest.

(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."

Renumber all SECTIONS consecutively.

(Reference is to SB 140 as printed February 14, 2025.)

JOHNSON T

SENATE MOTION

Mr. President: I move that Senate Bill 140 be amended to read as follows:

Page 10, line 35, delete "commissioner" and insert "**state personnel department**".

Page 10, line 38, delete "department;" and insert "**state personnel department;**".

(Reference is to SB 140 as printed February 14, 2025.)

CHARBONNEAU

