**A** **BILL**

TO AMEND CHAPTER 5, TITLE 38 OF THE 1976 CODE, RELATING TO TRANSACTING INSURANCE BUSINESS, BY ADDING SECTION 38‑5‑15, TO PROVIDE THAT THE DEPARTMENT OF INSURANCE SHALL AUTHORIZE OUT‑OF‑STATE INSURERS TO OFFER HEALTH INSURANCE POLICIES IN THIS STATE, TO AUTHORIZE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE TO CONDUCT MARKET AND SOLVENCY EXAMINATIONS OF OUT‑OF‑STATE INSURERS SEEKING TO OFFER PLANS IN THIS STATE, AND TO PROVIDE LANGUAGE THAT MUST BE PRESENT IN AN OUT‑OF‑STATE HEALTH INSURANCE PLAN OFFERED TO SOUTH CAROLINA RESIDENTS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 5, Title 38 of the 1976 Code is amended by adding:

“Section 38‑5‑15. (A) The Department of Insurance shall authorize out‑of‑state insurers to offer health insurance policies in this State. The Director of the Department of Insurance shall be authorized to conduct market and solvency examinations of all out‑of‑state companies seeking to offer health benefit plans in this State or who have been given approval to offer health benefit plans in this State. Such examinations shall be conducted according to South Carolina law.

(B) Out‑of‑state insurers authorized by the Department of Insurance to offer plans to South Carolina residents shall not be required to offer or provide state‑mandated health benefits required by South Carolina law or regulations, but must offer or provide state‑mandated health benefits required by, and otherwise complying with, the laws or regulations of the state in which the out‑of‑state insurer is domiciled, regarding health insurance policies sold to South Carolina residents.

(C) Each written application for participation in an out‑of‑state health benefit plan shall contain the following language in boldface type at the beginning of the document:

‘THIS POLICY IS PRIMARILY GOVERNED BY THE LAWS OF THE STATE WHERE THE MASTER POLICY IS FILED; THEREFORE, ALL OF THE RATING LAWS APPLICABLE TO POLICIES FILED IN THIS STATE DO NOT APPLY TO THIS POLICY, WHICH MAY RESULT IN INCREASES IN YOUR PREMIUM AT RENEWAL THAT WOULD NOT BE PERMISSIBLE UNDER SOUTH CAROLINA LAW. ANY PURCHASE OF INDIVIDUAL HEALTH INSURANCE SHOULD BE CONSIDERED CAREFULLY SINCE FUTURE MEDICAL CONDITIONS MAY MAKE IT IMPOSSIBLE TO QUALIFY FOR ANOTHER INDIVIDUAL HEALTH POLICY. FOR INFORMATION CONCERNING INDIVIDUAL HEALTH COVERAGE UNDER A POLICY PERMISSIBLE UNDER SOUTH CAROLINA LAW, PLEASE CONSULT YOUR INSURANCE AGENT OR THE SOUTH CAROLINA DEPARTMENT OF INSURANCE.’

(D) Each out‑of‑state health benefit plan shall contain the following language in boldface type at the beginning of the document:

‘THE BENEFITS OF THIS POLICY PROVIDING YOUR COVERAGE ARE GOVERNED PRIMARILY BY THE LAWS OF A STATE OTHER THAN SOUTH CAROLINA. WHILE THIS HEALTH BENEFIT PLAN MAY PROVIDE YOU A MORE AFFORDABLE HEALTH INSURANCE POLICY, IT MAY ALSO PROVIDE FEWER HEALTH BENEFITS THAN THOSE NORMALLY INCLUDED AS STATE‑MANDATED HEALTH BENEFITS IN POLICIES IN SOUTH CAROLINA. PLEASE CONSULT YOUR INSURANCE AGENT TO DETERMINE WHICH STATE‑MANDATED HEALTH BENEFITS ARE EXCLUDED UNDER THIS POLICY.’”

SECTION 2. This act takes effect upon approval by the Governor.

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