

1 State of Arkansas  
2 89th General Assembly  
3 Regular Session, 2013  
4

*As Engrossed: S3/20/13*

# A Bill

SENATE BILL 362

5 By: Senator J. Woods  
6 By: Representative Hammer  
7

## For An Act To Be Entitled

9 AN ACT TO EXEMPT HEALTH CARE SHARING MINISTRIES FROM  
10 THE INSURANCE LAWS OF ARKANSAS; AND FOR OTHER  
11 PURPOSES.  
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## Subtitle

15 AN ACT TO EXEMPT HEALTH CARE SHARING  
16 MINISTRIES FROM THE INSURANCE LAWS OF  
17 ARKANSAS.  
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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22 SECTION 1. Arkansas Code § 23-60-104 is amended to read as follows:

23 23-60-104. Exceptions – Burial associations – Health care sharing  
24 ministries – Definition.

25 (a) The Arkansas Insurance Code and rules promulgated by the Insurance  
26 Commissioner under the Arkansas Insurance Code shall not apply with respect  
27 do not apply to:

28 (1) ~~burial~~ Burial associations governed by §§ 23-78-101 – 23-78-  
29 119, and 23-78-121 – 23-78-125, ~~and amendments thereto;~~ or

30 (2) Health care sharing ministries.

31 (b) As used in this section, "health care sharing ministry" means a  
32 faith-based, nonprofit organization that:

33 (1) Is tax-exempt under the Internal Revenue Code of 1986;

34 (2) Limits participation to those who are of a similar faith;

35 (3) Facilitates an arrangement to match participants who have  
36 financial or medical needs to participants with the present ability to assist



1 those with financial or medical needs according to criteria established by  
2 the health care sharing ministry;

3 (4) Provides for the financial or medical needs of a participant  
4 through contributions from one (1) participant to another;

5 (5) Establishes contribution amounts for participants with no  
6 guarantee of return, assumption of risk, or promise to pay qualified medical  
7 needs of the participant or of the medical provider performing the service or  
8 services for the participant;

9 (6) Provides a written monthly statement to its participants that  
10 lists:

11 (A) The total dollar amount of qualified needs submitted to  
12 the health care sharing ministry; and

13 (B) The amount of contribution established for its  
14 participants;

15 (7) Provides a written disclaimer on or accompanying an  
16 application and guideline material distributed by or on behalf of the health  
17 care sharing ministry that reads, in substance:

18 "Notice: The organization facilitating the sharing of medical expenses is not  
19 an insurance company and neither its guidelines nor plan of operation is an  
20 insurance policy. If anyone chooses to assist you with your medical bills, it  
21 will be totally voluntary because participants are not compelled by law to  
22 contribute toward your medical bills. Participation in the organization or a  
23 subscription to any of its documents should never be considered to be  
24 insurance. Regardless of whether you receive a payment for medical expenses  
25 or if this organization continues to operate, you are always personally  
26 responsible for the payment of your own medical bills."; and

27 (8) Transfers or distributes contribution amounts from one (1)  
28 participant to match the qualified medical needs of another participant to  
29 whom neither the organization nor the sending participant has an obligation  
30 or commitment to pay for any qualified medical needs with its own funds.

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32 *SECTION 2. Arkansas Code § 23-76-103, concerning applicability of the*  
33 *insurance laws of this state concerning hospital and medical service*  
34 *corporations, is amended to add an additional subsection to read as follows:*

35 (c) This chapter does not apply to health care sharing ministries as  
36 defined in § 23-60-104(b).

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*/s/J. Woods*