A. The (insert state legislative body) recognizes the need for individuals, employers, and other purchasers of health insurance coverage in this state to have the opportunity to choose health insurance plans that are more affordable and flexible than existing market policies offering accident and sickness insurance coverage. Therefore, the (insert state legislative body) seeks to increase the availability of health insurance coverage by allowing insurers authorized to engage in the business of insurance in selected states to issue accident and sickness policies in (insert state).

B. The selected out-of-state insurers shall not be required to offer or provide state-mandated health benefits required by (insert state) law or regulations in health insurance policies sold to (insert state) 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:

1. “This policy is primarily governed by the laws of (insert 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 in a (insert state)-approved policy. 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 (insert state)-approved policy, please consult your insurance agent or the (insert state Department of Insurance or similar agency).”

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

1. “The benefits of this policy providing your coverage are governed primarily by the laws of a state other than (insert state). 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 (insert state). Please consult your insurance agent to determine which state-mandated health benefits are excluded under this policy.”

E. The (insert title of state insurance commissioner) shall be authorized to conduct market conduct 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 in the same manner and under the same terms and conditions as for companies located in this state.

F. The (insert title of state insurance commissioner) shall adopt rules and regulations necessary to implement this chapter, including, but not limited to, determining which health insurance companies located in other states shall be authorized to offer plans to (insert state) residents and determining the manner of approving the health benefit plans offered by such companies.