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May 27, 2022

Laura Arp  
The Nebraska Department of Insurance  
PO Box 82089  
Lincoln, Nebraska 68501-2089

Andrew Schallhorn  
Oklahoma Insurance Department  
400 NE 50th Street  
Oklahoma City, OK 73105

**Re: Indemnity Insurance**

Dear Ms. Arp and Mr. Schallhorn:

Thank you for soliciting comments. The Health Benefits Institute is a group of agents, brokers, insurers, employers, benefit platforms and others seeking to protect the ability of consumers to make their own health care financing choices. We support policies that expand consumer choice and control, promote industry standards, educate consumers on their options and foster high quality health outcomes through transparency in health care prices, quality, and the financing mechanisms used to pay for care.

**Indemnity Insurance**

HBI and our member companies understand the many concerns surrounding hospital and other fixed indemnity coverage. We agree with regulators and the consumer representatives that there have been issues with both the fraudulent and deceptive marketing practices by some entities. Like many of the other products contained In Model 171, these products provide consumers with significant value.

We reiterate our position that these products should not be developed, marketed, or sold as comprehensive major medical insurance. We believe efforts to limit consumer access to these products will have two results. First, we'll see more fraudsters who will flood the market with illegitimate products. Second, consumers -- who continue to face both rising medical costs AND rising cost sharing -- will lose access to the products they need to help finance their high medically related expenses.

**Hospital Indemnity Definition Language**

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HBI does have one main concern with the proposed language. The proposed language includes a requirement that hospital indemnity cover 31 days. This does not reflect a minimum standard, and likely exceeds many policies available in the market and even more importantly the actual policies purchased by consumers. Additionally, if the goal is to ensure that consumers will not confuse hospital indemnity coverage with major medical, 31 days will merely add to the confusion. Finally, since these policies are supplemental in nature, it would be rare for consumers both to have hospital stays more than a few days and to incur significant liability not covered by the major medical policy after the first few days of hospital coverage. We would suggest the following language:

Hospital indemnity coverage” may provide a single lump sum benefit for hospital confinement of not less than \$[X], and/or a daily benefit for hospital confinement on an indemnity basis in an amount not less than \$[X] per day and not less than ~~thirty one (31)~~ **[x]** days during each period of confinement for each person insured under the policy.

We believe our proposed change will both lessen consumer confusion and ensure consumers will continue to have access to indemnity policies that supplement major medical coverage.

In closing, we support the compromise language proposed by the chairs. We also strongly support the efforts of both the NAIC's Improper Marketing Subgroup, and efforts to create a market conduct annual statement for some of these products.

We hope you find these comments helpful. Please do not hesitate to contact me if you have further questions at [jpwieske@thehealthbenefitsinstitute.org](mailto:jpwieske@thehealthbenefitsinstitute.org) or (920) 784-4486.

Sincerely

A handwritten signature in blue ink, appearing to read 'JP Wieske', with a long horizontal flourish extending to the right.

JP Wieske  
Executive Director