

CHAPTER 50-37

HEALTH CARE SHARING MINISTRIES

50-37-01. Definitions.

As used in this chapter, "health care sharing ministry" means a nonprofit organization that:

1. Is recognized as tax exempt under section 501(c)(3) of the United States Internal Revenue Code [26 U.S.C. 501(c)(3)];
2. Limits its participants to members who share a common set of ethical or religious beliefs;
3. Acts as a facilitator among participants who have financial or medical needs to assist participants with financial or medical needs according to criteria established by the health care sharing ministry;
4. With no assumption of risk or promise to pay, provides for the financial or medical needs of a participant through contributions from other participants, which were contributed by participants with no assumption of risk or promise to pay;
5. Provides to participants each month the total dollar amount of qualified needs shared during the previous month according to criteria established by the health care sharing ministry;
6. Annually conducts an audit performed by an independent certified public accounting firm according to generally accepted accounting principles and publishes the audit on the health care sharing ministry's website or provides a copy upon request; and
7. Provides a written disclaimer on or accompanying all applications and guideline materials distributed by or on behalf of the organization which explains:
 - a. The organization facilitating the sharing of medical expenses is not an insurance company and its guidelines and plan of operation are not an insurance policy;
 - b. Whether anyone chooses to assist the participant with medical bills is voluntary;
 - c. Participation in the organization or a subscription to its documents is not insurance; and
 - d. Regardless of whether the participant receives payments or the organization continues to operate, the participant is responsible for the payment of the participant's medical bills.

50-37-02. Health care sharing ministry.

A health care sharing ministry may not be considered to be engaging in the business of insurance and is exempt from regulations applicable to insurance entities.