

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Banking and Insurance

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BILL: CS/SB 834

INTRODUCER: Banking and Insurance Committee and Senator Yarborough

SUBJECT: Nonprofit Religious Organizations

DATE: January 15 , 2026

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Johnson	Knudson	BI	Fav/CS
2.			JU	
3.			RC	

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**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Technical Changes

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**I. Summary:**

CS/SB 834 authorizes a nonprofit religious organization, also known as a health care sharing ministry (HCSM), to market and sell their membership products through licensed insurance agents, which is currently prohibited under the Florida Insurance Code (code) for HCSMs as a condition of being exempt from the code.

An HCSM offers memberships to individuals who generally agree to live by a statement of religious or ethical beliefs and contribute monthly to pay for qualified medical costs of other members. The HCSM administers the voluntary sharing of qualified medical costs among the members. These products are exempt from regulation under the Florida Insurance Code if certain requirements are met, and are an alternative to health insurance, and are therefore not subject to state or federal laws that require comprehensive insurance coverage and consumer protections.

**II. Present Situation:**

**The Patient Protection and Affordable Care Act (PPACA)<sup>1</sup>**

On March 23, 2010, PPACA was signed into law. Among its sweeping changes to the U.S. health insurance system are requirements for health insurers to make coverage available to all

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<sup>1</sup>P.L. 111-148, 124 Stat. 119-1945 (2010). PPACA was amended by P.L. 111-152, the Health Care and Education Reconciliation Act of 2010.

individuals and employers,<sup>2</sup> without exclusions, for preexisting medical conditions<sup>3</sup> and without basing premiums on any health-related factors. PPACA imposes many insurance requirements, such as coverage of essential health benefits, prohibition on lifetime dollar limits<sup>4</sup> on essential health benefits, rating and underwriting standards, reporting of medical loss ratios and payment of rebates,<sup>5</sup> and other requirements.<sup>6</sup>

Under PPACA, members of health care sharing ministries (HCSMs) are exempted from the federal individual mandate to maintain minimum health coverage, but the law does not mandate whether or how states may regulate them.<sup>7</sup> A HCSM is an organization:

- Described in section 501(c)(3) of the Internal Revenue Code and that is exempt from taxation under section 501(a) of the Internal Revenue Code;
- Comprised of members who share a common set of ethical or religious beliefs and share medical expenses among members in accordance with those beliefs and without regard to the state in which a member resides or is employed;
- Required to retain membership of members even after they develop a medical condition;
- That has been in existence at all times since December 31, 1999, and medical expenses of its members have been shared continuously and without interruption since at least December 31, 1999; and
- Subjected to an annual audit, which is performed by an independent certified public accounting firm in accordance with generally accepted accounting principles and that is made available to the public upon request.<sup>8</sup>

### Health Care Sharing Ministries

The HCSMs trace their origins to the Middle Ages when tradesmen's guilds banded together to provide economic assistance to members who were injured, fell ill, or who died leaving family members behind.<sup>9</sup> These guilds continued to exist in Europe until the 19th century, and the Industrial Revolution in Europe, when they were gradually replaced by trade unions and fraternal benefits associations. The modern HCSMs evolved in the late 1970s and 1980s as a byproduct of inflation, which resulted in rising costs in health care and health insurance.

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<sup>2</sup> PPACA s. 1201; PHSa s. 2702 (42 U.S.C. s. 300gg-1).

<sup>3</sup> 42 U.S.C. s. 300gg-3.

<sup>4</sup> PPACA s. 1001; PHSa s. 2711 (42 U.S.C. s. 300gg-11).

<sup>5</sup> 42 USC 300gg-1. PPACA requires health insurers to report to the HHS information concerning the percent of premium revenue spent on claims for clinical services and activities (medical loss ratio or MLR). Insurers must provide a rebate to consumers if the MLR is less than 85 percent in the large group market and 80 percent in the small group and individual markets.

<sup>6</sup> The federal Tax Cut and Jobs Act of 2017 eliminated the individual coverage mandate tax penalty, effective 2019. Public Law No. 115-97.

<sup>7</sup> 26 U.S.C. § 5000A(d)(2)(B). Effective tax year 2019, the penalty for failing to maintain minimum essential coverage was reduced to \$0. P.L. 115-97.

<sup>8</sup> 26 USC s. 5000A(d)(2)(B).

<sup>9</sup> HSA for America, The History of Health Sharing (Jan. 3, 2025), <https://hsaforamerica.com/blog/the-history-of-health-sharing/> (last visited Jan. 3, 2026).

An HCSM, an alternative to health insurance, offers memberships to individuals who generally agree to live by a statement of religious beliefs or ethics<sup>10</sup> and contribute monthly to the HCSM for the payment qualified medical costs of other members.<sup>11</sup> Members also submit their own eligible bills to be shared by other members<sup>12</sup>. The HCSM may match paying members who need the health care funds or pool all the monthly shares and administer payments for qualified medical expenses to members directly.<sup>13</sup>

In the United States, an estimated 1.5 million people participate in HCSMs.<sup>14</sup> Approximately 30 states, including Florida, have exempted health care sharing ministries (HCSM) explicitly from insurance regulation.<sup>15</sup>

Some people may enroll in HCSMs because of their typically lower upfront costs, compared to PPACA-compliant plans that must provide 10 essential benefits and meet other coverage and underwriting requirements. Further, HCSMs are not insurance and cannot guarantee payment of claims, i.e., while they may share funds with members who have health needs, they are not legally required to do so.<sup>16</sup>

### Regulation of Insurance in Florida

Florida's Office of Insurance Regulation (OIR)<sup>17</sup> is responsible for the regulation of all activities of insurers and other risk-bearing entities, including licensure, rates,<sup>18</sup> policy forms, market conduct, claims, solvency, administrative supervision, as provided under the Florida Insurance Code (code).<sup>19</sup> Insurance is classified into the following kinds of insurance: life, health, property, casualty, surety, marine, and title.<sup>20</sup> The code defines "insurance" as a contract whereby one undertakes to indemnify another or pay or allow a specified amount or a determinable benefit upon determinable contingencies.<sup>21</sup> Health insurance is insurance of human beings against bodily

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<sup>10</sup> Wall Street Journal, As Sharing Health-Care Costs Takes Off, States Warn: It Isn't Insurance (June 10, 2019), <https://www.wsj.com/articles/groups-that-share-health-care-costs-are-drawing-more-members-and-scrutiny-11560177134?mod=Searchresults&pos=3&page=1> (last visited Jan. 2, 2026).

<sup>11</sup> *Id.*

<sup>12</sup> National Association of Insurance Commissioners, What You Should Know About Health Care Sharing Ministries, Discount Plans, and Risk-Sharing Plans, (Dec. 13, 2023), <https://content.naic.org/article/what-you-should-know-about-health-care-sharing-ministries-discount-plans-and-risk-sharing-plans> (last visited Dec. 23, 2025).

<sup>13</sup> *Id.*

<sup>14</sup> The Actuary, Health Care Sharing Ministries (Dec. 2021), <https://www.theactuarymagazine.org/health-care-sharing-ministries/> (last visited Jan. 2, 2026).

<sup>15</sup> National Association of Insurance Commissioners, What you should know about health care sharing ministries, discount plans, and risk sharing plans, (Dec. 13, 2023), <https://content.naic.org/article/what-you-should-know-about-health-care-sharing-ministries-discount-plans-and-risk-sharing-plans> (last visited Dec. 23, 2025).

<sup>16</sup> *Id.*

<sup>17</sup> The OIR is an office under the Financial Services Commission (commission), which is composed of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture. The commission is not subject to control, supervision, or direction by the Department of Financial Services in any manner, including purchasing, transactions involving real or personal property, personnel, or budgetary matters. Section 20.121(3), F.S.

<sup>18</sup> Pursuant to s. 627.062(1), F.S., rates may not be excessive, inadequate, or unfairly discriminatory.

<sup>19</sup> Section 20.121(3)(a)1., F.S.

<sup>20</sup> Section 624.6011, F.S.

<sup>21</sup> Section 624.402, F.S.

injury, disablement, or death by accident or accidental means, or the expense thereof, or against disablement or expense resulting from sickness, and every insurance pertaining to it.<sup>22</sup>

The OIR monitors the solvency of insurers, and takes administrative action, if necessary, against any authorized insurer if OIR determines that the continued operation of the insurer may be deemed hazardous to its policyholders or creditors, or to the general public.<sup>23</sup> If an insurer is found to be insolvent and is ordered to be liquidated by a court, a receiver takes over the insurer under court supervision and processes the assets and liabilities through liquidation.<sup>24</sup>

Generally, once an insurance company is liquidated, an insurance guaranty association becomes liable for the policy or contract obligations of the liquidated insurance company. Insurance guaranty associations are designed to protect policyholders of liquidated insurers from financial losses and delays in claim payments, up to limits provided by law.<sup>25</sup> An association services covered policies and contracts, collects premiums, and pays valid claims.<sup>26</sup> All insurers authorized to write life insurance policies, health insurance policies, supplemental contracts, and annuity contracts (with exceptions) in Florida are required, as a condition of doing business in this state, to be member insurers of the association.<sup>27</sup>

### ***Alternative Medical Benefit Products Exempt from the Florida Insurance Code<sup>28</sup>***

The code exempts alternative plans, such as the nonprofit religious organizations or HCSMs and nonprofit agricultural organizations from the provisions of the code if certain conditions are met. Currently a HCSM<sup>29</sup> is exempt from the requirements of the code, including licensure, regulation, and consumer protections if the nonprofit religious organization meets all the following requirements:

- Qualifies under Title 26, s. 501 of the Internal Revenue Code of 1986, as amended.
- Limits its participants to those members who share a common set of ethical or religious beliefs.
- Acts as a facilitator among participants who have financial, physical, or medical needs to assist those with financial, physical, or medical needs in accordance with criteria established by the nonprofit religious organization.
- Provides for the financial or medical needs of a participant through contributions from other participants, or through payments directly from one participant to another participant.

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<sup>22</sup> Section 624.403, F.S. Health insurance does not include workers' compensation coverage, except as provided in s. 624.406, F.S.

<sup>23</sup> Section 624.805, F.S.

<sup>24</sup> The Department of Financial Services (DFS) serves as the court appointed receiver of any insurer placed into receivership in Florida. The Division of Rehabilitation and Liquidation plans, coordinates, and administers the receivership processes on behalf of DFS pursuant to the orders of the receivership court. Part I, ch. 631, F.S.

<sup>25</sup> Section 631.712, F.S.

<sup>26</sup> The maximum amount of protection provided by the association for major medical health insurance policy is \$500,000 per insured life. [Florida Life & Health Insurance Guaranty Association - Frequently Asked Questions](#) (last visited Dec. 24, 2025).

<sup>27</sup> Sections 631.713 and 631.715, F.S.

<sup>28</sup> Chapters 624-632, 634, 635, 636, 641, 642, 648, and 651 constitute the "Florida Insurance Code." Section 624.01, F.S.

<sup>29</sup> Section 624.1265, F.S., refers to health care sharing ministries as "nonprofit religious organizations." A health care sharing ministry is generally an organization that facilitates the sharing of health care expenses among individuals with similar and sincerely held beliefs. The members generally pay monthly membership fees and submit claims when they incur medical bills.

- Provides amounts that participants may contribute, with no assumption of risk and no promise to pay among the participants or by the nonprofit religious organization to the participants.
- Provides a monthly accounting to the participants of the total dollar amount of qualified needs shared in the previous month in accordance with criteria established by the nonprofit religious organization.
- Conducts an annual financial audit that is performed by an independent certified public accountant and makes a copy of the audit report publicly available upon request or posts a copy of the audit report on the nonprofit religious organization's website.
- Does not market or sell health plans through insurance agents licensed by the DFS pursuant to ch. 626, F.S.

The nonprofit religious organization must provide a written disclaimer on or accompanying all applications and guideline materials distributed by or on behalf of the nonprofit religious organization. The disclaimer must read in substance:

*“Notice: The organization facilitating the sharing of medical expenses is not an insurance company, and neither its guidelines nor its plan of operation is an insurance policy. Membership is not offered through an insurance company, and the organization is not subject to the regulatory requirements or consumer protections of the Florida Insurance Code. Whether anyone chooses to assist you with your medical bills will be totally voluntary because no other participant is compelled by law to contribute toward your medical bills. As such, participation in the organization or a subscription to any of its documents should never be considered to be insurance. Regardless of whether you receive any payments for medical expenses or whether this organization continues to operate, you are always personally responsible for the payment of your own medical bills.”*

However, the provisions of s. 624.1265, F.S. do not prevent:

- A participant from limiting the financial or medical needs that may be eligible for payment; or
- The nonprofit religious organization from canceling the membership of a participant when such participant indicates his or her unwillingness to participate by failing to meet the conditions of membership for a period greater than 60 days.

An HCSM is not exempt from the Florida Insurance Code if it markets or sells health plans through agents licensed by the DFS pursuant to ch. 626, F.S. This amendment was made in 2023 as part of the legislative package for the Department of Financial Services (DFS).<sup>30</sup> According to DFS, the purpose of this requirement was to reduce confusion by potential purchasers who

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<sup>30</sup> Senate Bill 1158 (2023) sponsored by Senator DiCiglie (Ch. 2023-144, Laws of Fla.).

believe it to be insurance since it is being sold by licensed insurance agents.<sup>31</sup> Further, agents are typically paid higher commissions<sup>32</sup> to sell HCSM products than insurance plans.<sup>33</sup>

According to DFS,<sup>34</sup> since plans offered by the HCSMs are exempt from the code, there is no guaranty fund if a company ceases operation. There is little oversight of the organizations since no state or federal agency has regulatory authority unless the organization is determined to be operating illegally in a state.

In 2025, the Legislature enacted legislation, which authorizes nonprofit agricultural organizations to offer medical benefit plans, specifies that such plans are not insurance for purposes of the Florida Insurance Code (code), and exempts such plans from insurance regulations and consumer protections that apply to health insurers, health maintenance organizations, and their policies and contracts under the code if certain conditions are met.<sup>35</sup> Like the HCSMs, a nonprofit agricultural organization may not market or sell health benefit plans through agents licensed by DFS.

### **Marketing and Selling of HCSMs Memberships**

In Colorado, HCSMs are required to report specified data, including enrollment, financial data, and marketing materials, annually to the Division of Insurance, and the Commissioner of Insurance must issue an annual report summarizing the submitted information.<sup>36</sup> Examples of potentially confusing marketing language found in HCSM consumer-facing materials included, but not limited to:

- Use of insurance terms that mimic commercial health insurance, such as, “premium,” “deductible” and “catastrophic”;
- Use of metal tier plan names mimicking commercial health insurance; and
- Advertisements or social media posts implying guaranteed payment of health care bills when sharing or reimbursement by fellow members is voluntary and cannot be guaranteed.<sup>37</sup>

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<sup>31</sup> DFS, 2023 Legislative Bill Analysis of Senate Bill 1158. On file with Senate Banking and Insurance Committee.

<sup>32</sup> In 2019, an agent commission on an PPACA Silver Plan was 2.6 percent. The commission on products of three HCSMs were in the range of 15-20 percent. Covered California Board Meeting (Feb. 21, 2019),

<https://board.coveredca.com/meetings/2019/02-21%20Meeting/PPT.Board%20Meeting%20Policy%20and%20Action.Feb%202019.1155.pdf> (last visited Jan. 2, 2026).

Subsequently, California adopted a requirement for exchange-certified brokers, which required brokers who want to enroll people in HCSMs must first assess whether they are eligible for marketplace subsidies and provide a disclosure of HCSMs' risks and a comparison to PPACA coverage.

<sup>33</sup> DFS, *Supra* note 31.

<sup>34</sup> Department of Financial Services, 2025 Legislative Bill Analysis of Senate Bill 480, as filed (Feb. 14, 2025).

<sup>35</sup> Ch. 2025-54 Laws of Fla.

<sup>36</sup> Colorado Division of Insurance, Department of Regulatory Agencies, Health Care Sharing Plans and Arrangements in Colorado, 2024 Report (Oct. 2025),

<https://doi.colorado.gov/sites/doi/files/documents/Health%20Care%20Sharing%20Plans%20and%20Arrangements%20in%20Colorado%2C%202024.pdf> (last visited Jan. 2, 2025).

<sup>37</sup> *Id.*

A 2023 U.S. General Accounting Office (GAO)<sup>38</sup> report noted that officials from one of the five HCSMs that provided information to the GAO stated that they used internal and external sales representatives to sell their memberships. The same report raised concerns about external sales representatives selling HCSM memberships alongside PPACA-compliant health insurance. Specifically, officials from two of five HCSMs told the GAO they were opposed to HCSMs using external sales representatives to sell HCSM memberships alongside health insurance because it made it difficult for consumers to understand that HCSM memberships are not insurance and are not an equivalent health coverage option.<sup>39</sup>

### Recent State and Federal Enforcement Actions Against HCSMs

In recent years, federal and state enforcement actions have taken actions against some HCSMs. These include the following:

- Sharity Ministries, formerly known as Trinity Healthshare, filed for Chapter 11 bankruptcy protection in 2021, and ceased operations after being ordered by several state insurance regulators to cease enrolling new members after it was accused of deceptively marketing its products as health insurance.<sup>40</sup> At that time, Sharity Ministries announced it would no longer facilitate any sharing requests as part of the bankruptcy, and it requested bankruptcy court approval to reimburse member contributions after the bankruptcy filing date. Sharity Ministries finished liquidation in December 2021, and had unpaid claims in the range of \$50-300 million. Members with unpaid bills were expected to receive only a fraction of the money owed.<sup>41</sup> Trinity Healthshare spent less than 20 percent of its revenue on patient care in some years.<sup>42</sup>
- In 2021, the U.S. Justice Department seized the assets of Medical Cost Sharing, Inc.<sup>43</sup> The HCSM was found to have spent only three percent of its \$8 million in revenue collected between 2015-2022, or about \$250,000, on covering medical expenses,<sup>44</sup> while the founder and a co-founder spent millions of the funds for personal gain. Subsequently, the founder

<sup>38</sup> U.S. General Accounting Office, PRIVATE HEALTH COVERAGE, Information on Farm Bureau Health Plans, Health Care Sharing Ministries, and Fixed Indemnity Plans (July 2023), <https://www.gao.gov/assets/830/827994.pdf> (last visited Jan. 2, 2026).

<sup>39</sup> *Id.*

<sup>40</sup> The Actuary, Health Care Sharing Ministries (Dec. 2021), <https://www.theactuarymagazine.org/health-care-sharing-ministries/> (last visited Jan. 2, 2026).

<sup>41</sup> National Catholic Register, Health-Sharing Ministry's Bankruptcy Shows Need for Good Standards and Scrutiny, *Insiders Say* (Apr. 28, 2022), <https://www.ncregister.com/cna/health-sharing-ministry-s-bankruptcy-shows-need-for-good-standards-and-scrutiny-insiders-say> (last visited Jan. 2, 2026).

<sup>42</sup> MinistryWatch, Health Share Group John Oliver Exposed Declares Bankruptcy (July 14, 2021), <https://ministrywatch.com/health-share-group-john-oliver-exposed-declares-bankruptcy/> (last visited Jan. 2, 2026).

<sup>43</sup> Propublica, A Christian Health Nonprofit Saddled Thousands With Debt as It Built a Family Empire Including a Pot Farm, a Bank and an Airline (Feb. 25, 2023), <https://www.propublica.org/article/liberty-healthshare-healthcare-sharing-ministries-obamacare#:~:text=Sharity%20Ministries%2C%20once%20among%20the,millions%20of%20dollars%20each%20year> (last visited Jan. 2, 2026).

<sup>44</sup> Christianity Today, Medical Cost Sharing Ministry Stole Millions (Mar. 2024), <https://www.christianitytoday.com/2024/02/christian-church-news-world-medical-cost-sharing-fraud/> (last visited Jan. 3, 2026).

pleaded guilty to one count of conspiracy to commit wire fraud and one count of making false statements on a tax return,<sup>45</sup> and admitted to defrauding members of over \$8 million.<sup>46</sup>

- In 2022, Liberty Healthshare signed a settlement agreement with Ohio state regulators that requires Liberty to pay thousands of dollars in fines and fees, removes Liberty's top leaders, and alters the operations of the HCSM. In addition, the owners of three for-profit companies that have been vendors of Liberty have signed their own settlement agreements that requires them to pay a total of \$5.85 million, which would be deposited into a fund that the attorney general will use to redistribute the money to benefit current or former Liberty members.<sup>47</sup>

### III. Effect of Proposed Changes:

The bill would allow nonprofit religious organizations or HCSMs to market or sell plans through agents licensed by the Department of Financial Services and retain their exemption from the Florida Insurance Code. Currently, the Florida Insurance Code prohibits this practice as a condition of being exempt from the code.

The bill takes effect July 1, 2026.

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

None.

#### B. Public Records/Open Meetings Issues:

None.

#### C. Trust Funds Restrictions:

None.

#### D. State Tax or Fee Increases:

None.

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<sup>45</sup> U.S. Attorney's Office, Western District of Missouri, Press Release, Another Co-founder of Medical Charity in St. Joseph Pleads Guilty to \$8 Million Fraud Scheme (Apr. 8, 2024), <https://www.justice.gov/usao-wdmo/pr/another-co-founder-medical-charity-st-joseph-pleads-guilty-8-million-fraud-scheme> (last visited Jan. 2, 2026). The co-founder pleaded guilty to one count of conspiracy to commit wire fraud and one count of making false statements on a tax return in a separate but related trial.

<sup>46</sup> KMBC News, St. Joseph, Missouri medical charity founder pleads guilty to \$8 million fraud scheme (Nov. 14, 2023), <https://www.kmbc.com/article/st-joseph-missouri-medical-charity-founder-pleads-guilty/45839746> (last visited Jan. 2, 2026).

<sup>47</sup> CantonRep.com, Liberty HealthShare, Vendors Reach Multimillion-dollar Settlement with Attorney General (Jan. 26, 2022), <https://www.cantonrep.com/story/news/2022/01/26/liberty-healthshare-reaches-settlement-ohio-attorney-general/9224961002/> (last visited Jan. 2, 2026).

E. Other Constitutional Issues:

None.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Licensed agents may experience an indeterminate increase in commissions associated with selling plans of HCSMs.

C. Government Sector Impact:

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends section 624.1265 of the Florida Statutes.

**IX. Additional Information:**

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

The CS amends the title to “An act relating to nonprofit religious organizations.”

B. Amendments:

None.