

616 Fifth Avenue, Unit 106
Belmar, NJ 07719
732-201-4133
CHIEF EXECUTIVE OFFICER: Will Melofchik



PRESIDENT: Sen. Paul Utke, MN
VICE PRESIDENT: Rep. Edmond Jordan, LA
TREASURER: Rep. Jim Dunnigan, UT
SECRETARY: Rep. Brenda Carter, MI

IMMEDIATE PAST PRESIDENT:
Asw. Pamela Hunter, NY

For Immediate Release
May 20, 2026
Contact: Pat Gilbert
(732)-201-4133

NCOIL ADOPTS INDIVIDUAL COVERAGE HEALTH REIMBURSEMENT ARRANGEMENT (ICHRA) MODEL ACT

*Model Will Enable & Encourage Small Businesses to Offer Health Insurance Options to
Employees*

Belmar, NJ – At the 2026 National Council of Insurance Legislators (NCOIL) Spring National Meeting in Louisville, KY, the organization adopted the NCOIL Individual Coverage Health Reimbursement Arrangement (ICHRA) Model Act, sponsored by Rep. Meredith Craig (OH). The Model was passed by both the Joint State-Federal Relations & International Insurance Issues Committee and the NCOIL Executive Committee.

The Model provides states with a framework to offer a nonrefundable tax credit to small businesses that are not required to provide health insurance but choose to offer an ICHRA. The specific amount of the tax credit per employee is left up to the individual states to decide what best fits their needs.

Additionally, a drafting note is included in the Model stating that states may wish to implement an expiration date on the tax credit to address any cost concerns. Taxpayers claiming the credit are also required to report to the Department of Insurance every three years as to whether they continued to offer the ICHRA or reverted to a traditional employer sponsored plan. A section is also included in the Model outlining what are and are not unfair and deceptive acts or practices in the business of insurance related to ICHRAs.

“I am proud to sponsor this Model at NCOIL which essentially mirrors a bill I am sponsoring in my home state of Ohio,” said Rep. Craig. “This concept has bipartisan support at both the state and federal levels and it enables flexibility for both employers and employees when it comes to health coverage. Expanding access to health coverage for as many people as possible is always a priority, and this Model helps states move closer to that goal.”

During the drafting and deliberation process, NCOIL legislators and staff heard from a wide range of interested parties including: America’s Health Insurance Plans (AHIP), Centene Corporation, the Center for Consumer Information and Insurance Oversight (CCIIO), the



/NCOILorg

WEBSITE: www.ncoil.org



/NCOILorg

Sound Public Policy In 50 States For 50-Plus Years

Georgia Department of Insurance, the Health Benefit Institute, Oscar Health, and Thatch.

“ICHRAs have been the subject of a lot of headlines this year so it was great for the Committee to tackle this issue in an efficient manner in order to provide guidance to states,” said Asm. Erik Dilan (NY), Chair of the Committee. “Rep. Craig deserves a lot of credit for taking the lead on this important topic.”

NCOIL President Senator Paul Utke (MN) stated, “The adoption of this Model is a great indicator of where NCOIL is heading in 2026 in terms of significant advances on insurance public policy. The Committee came together and swiftly reached a consensus on a timely and important issue that will provide innovative guidance to states. I look forward to seeing bills based on the Model introduced in legislatures around the country.”

“The result achieved with this Model being adopted at NCOIL speaks to how effective a tool ICHRAs can be in expanding access to health insurance all around the country,” said NCOIL CEO Will Melofchik. “The Committee heard from a range of perspectives and had a healthy dialogue and ultimately all parties were aligned on how ICRHAs can positively impact consumers. Several states have already either enacted laws or introduced bills very similar to the Model this year, so this is an issue that has clearly struck a chord across the country and the Model will be an important tool to provide states guidance.”

A full copy of the NCOIL Individual Coverage Health Reimbursement Arrangement Model Act can be viewed here: <https://ncoil.org/resource/ncoil-individual-coverage-health-reimbursement-arrangement-model-act/>

###

NCOIL is a national legislative organization with the nation's 50 states as members, represented principally by legislators serving on their states' insurance and financial institutions committees. NCOIL writes Model Laws in insurance and financial services, works to preserve the State jurisdiction over insurance as established by the McCarran-Ferguson Act over 80 years ago, and to serve as an educational forum for public policymakers and interested parties. Founded in 1969, NCOIL works to assert the prerogative of legislators in making State policy when it comes to insurance and educate State legislators on current and longstanding insurance issues.