



Adopted	Rejected
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COMMITTEE REPORT

YES: 13
NO: 0

MR. SPEAKER:

Your Committee on Financial Institutions and Insurance, to which was referred House Bill 1405, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:

- 1 Page 1, line 13, delete "(a) This chapter applies to".
- 2 Page 1, delete lines 14 through 15.
- 3 Page 1, line 16, delete "(b)".
- 4 Page 1, run in lines 13 through 16.
- 5 Page 2, between lines 1 and 2, begin a new paragraph and insert:
- 6 "SECTION 3. IC 12-15-39.6-7 IS AMENDED TO READ AS
- 7 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 7. (a) The department
- 8 of insurance or the agency with which the department of insurance has
- 9 contracted under section 6(b) of this chapter shall make available to
- 10 any individual interested in participating in ~~the Indiana~~ a long term
- 11 care program information concerning the following:
- 12 (1) The Indiana long term care program **established under this**
- 13 **chapter.**
- 14 (2) **The Indiana long term care insurance partnership**
- 15 **program established under IC 12-15-39.8.**

- 1 ~~(2)~~ **(3) Long term care insurance policies, including:**
- 2 **(A) qualified long term care policies that meet the**
- 3 **definition set forth in section 5 of this chapter; and**
- 4 **(B) qualified long term care insurance policies that meet**
- 5 **the definition set forth in IC 12-15-39.8-3.**
- 6 ~~(3)~~ **(4) Medicare supplement insurance policies.**
- 7 ~~(4)~~ **(5) Parts A and B of the Medicare program (42 U.S.C. 1395**
- 8 **et seq.).**
- 9 ~~(5)~~ **(6) Health maintenance organizations under IC 27-13 that are**
- 10 **contracted with the Medicare program.**
- 11 ~~(6)~~ **(7) The Medicaid program.**

12 (b) If an individual elects to pursue any of the options under
 13 subsection (a), the department of insurance shall assist the individual
 14 in doing so.

15 SECTION 4. IC 12-15-39.6-7.5 IS ADDED TO THE INDIANA
 16 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
 17 [EFFECTIVE JULY 1, 2021]: **Sec. 7.5. An individual interested in**
 18 **participating in a long term care program after June 30, 2022, may**
 19 **participate in:**

- 20 **(1) the Indiana long term care program established under this**
- 21 **chapter; or**
- 22 **(2) the Indiana long term care insurance partnership program**
- 23 **established under IC 12-15-39.8."**

24 Page 8, after line 41, begin a new paragraph and insert:
 25 "SECTION 9. IC 27-1-20-30 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 30. **(a) This section**
 27 **does not prohibit activities allowed under IC 27-1-47.**

28 ~~(a)~~ **(b) No company acting through its officers or members,**
 29 **attorney-in-fact, or by any other party, no officer of a company acting**
 30 **on the officer's own behalf and no insurance producer, broker, or**
 31 **solicitor, personally or by any other party, shall offer, promise, allow,**
 32 **give, set off or pay, directly or indirectly, any rebate of or part of the**
 33 **premium payable on a policy, or any insurance producer's commission**
 34 **thereon, or earnings, profits, dividends or other benefits founded,**
 35 **arising, accruing, or to accrue thereon or therefrom, or any special**
 36 **advantage in date of policy or age of issue, or any paid employment or**
 37 **contract for services of any kind, or any other valuable consideration**
 38 **or inducement, to or for insurance on any risk in this state, now or**

1 hereafter to be written, or for or upon any renewal of any such
 2 insurance, which is not specified in the policy contract of insurance, or
 3 offer, promise, give, option, sell or purchase any stocks, bonds,
 4 securities, or property, or any dividends or profits accruing or to accrue
 5 thereon, or other thing of value whatsoever as inducement to insurance
 6 or in connection therewith, or any renewal thereof, which is not
 7 specified in the policy. Nothing in this section shall prevent a company
 8 which transacts industrial life insurance on a weekly payment plan
 9 from returning to policyholders who have made a premium payment for
 10 a period of at least one (1) year directly to the company at its home or
 11 district office a percentage of premium which the company would
 12 otherwise have paid for the weekly collection of such premium, nor
 13 shall this section be construed to prevent the taking of a bona fide
 14 obligation, with legal interest, in payment of any premium.

15 ~~(b)~~ (c) No insured person or party or applicant for insurance shall
 16 directly or indirectly, receive or accept, or agree to receive or accept,
 17 any rebate of premium or of any part thereof, or all or any part of any
 18 insurance producer's or broker's commission thereon, or any favor or
 19 advantage, or share in any benefit to accrue under any policy of
 20 insurance, or any valuable consideration or inducement, other than
 21 such as are specified in the policy.

22 SECTION 10. IC 27-1-22-18 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 18. **(a) This section**
 24 **does not prohibit activities allowed under IC 27-1-47.**

25 **(b)** No insurer, broker, or insurance producer shall knowingly
 26 charge, demand, or receive a premium for any policy of insurance
 27 except in accordance with the provisions of this chapter. No insurer or
 28 employee thereof, and no broker or insurance producer shall pay, allow,
 29 or give, directly or indirectly, as an inducement to insurance, or after
 30 insurance has been effected, any rebate, discount, abatement, credit, or
 31 reduction of the premium named in a policy of insurance, or any
 32 special favor or advantage in the dividends or other benefits to accrue
 33 thereon, or any valuable consideration or inducement whatever, not
 34 specified in the policy of insurance, except to the extent provided for
 35 in applicable filings. No insured named in any policy of insurance shall
 36 knowingly receive or accept, directly or indirectly, any such rebate,
 37 discount, abatement, credit or reduction of premium, or any such
 38 special favor or advantage or valuable consideration or inducement.

1 Nothing in this section shall be construed as prohibiting the payment
 2 of, nor permitting the regulation of the payment of, commissions or
 3 other compensation to duly licensed insurance producers and brokers,
 4 nor as prohibiting, or permitting the regulation of, any insurer from
 5 allowing or returning to its participating policyholders or members,
 6 dividends or savings.

7 SECTION 11. IC 27-1-31-2 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 2. (a) An insurer may
 9 not cancel a policy of insurance that the insurer has written that has
 10 been in effect more than ninety (90) days unless:

- 11 (1) the insured under the policy has failed to pay the premium;
- 12 (2) there is a substantial change in the scale of risk covered by the
 13 policy;
- 14 (3) the insured has perpetrated a fraud or material
 15 misrepresentation upon the insurer;
- 16 (4) the insured has failed to comply with reasonable safety
 17 recommendations; or
- 18 (5) reinsurance of the risk associated with the policy has been
 19 cancelled.

20 (b) An insurer shall ~~provide~~ **mail** a written notice of cancellation to
 21 a person insured under a policy issued by the insurer at least:

- 22 (1) forty-five (45) days before cancelling the policy for any reason
 23 set forth in subsection (a)(2), (a)(4), or (a)(5);
- 24 (2) twenty (20) days before cancelling the policy for the reason set
 25 forth in subsection (a)(3); or
- 26 (3) ten (10) days before cancelling the policy for the reason set
 27 forth in subsection (a)(1).

28 SECTION 12. IC 27-1-31-2.5 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 2.5. An insurer may
 30 cancel a policy of insurance that the insurer has written that has been
 31 in effect ninety (90) days or less by ~~providing~~ **mailing** a written notice
 32 of cancellation to a person insured under the policy at least:

- 33 (1) ten (10) days before cancelling if an insured has failed to pay
 34 a premium;
- 35 (2) twenty (20) days before cancelling if the insured has
 36 perpetrated a fraud or material misrepresentation upon the
 37 insurer; or
- 38 (3) thirty (30) days before cancelling for any other reason.

1 SECTION 13. IC 27-1-31-3, AS AMENDED BY P.L.148-2017,
 2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2021]: Sec. 3. (a) If an insurer refuses to renew a policy of
 4 insurance written by the insurer, the insurer shall **provide mail** written
 5 notice of nonrenewal to the insured:

6 (1) at least forty-five (45) days before the expiration date of the
 7 policy, if the coverage provided is for one (1) year, or less; or

8 (2) at least forty-five (45) days before the anniversary date of the
 9 policy, if the coverage provided is for more than one (1) year.

10 (b) A notice of nonrenewal is not required if:

11 (1) the insured is transferred from an insurer to an affiliate of the
 12 insurer for future coverage; and

13 (2) the transfer results in the same or broader coverage.

14 SECTION 14. IC 27-1-43-3, AS ADDED BY P.L.119-2014,
 15 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2021]: Sec. 3. **(a) As used in this section, "online platform"**
 17 **means a web site or other digital application designed to facilitate**
 18 **the purchase of insurance policies by parties from a licensed**
 19 **insurer.**

20 ~~(a)~~ **(b)** Except as provided in subsection ~~(c)~~; **(d)**, a notice to a party,
 21 or another document, that:

22 (1) is legally required in an insurance transaction; or

23 (2) serves as evidence of insurance coverage;

24 may be electronically delivered, stored, and presented in compliance
 25 with IC 26-2-8.

26 ~~(b)~~ **(c)** Electronic delivery of a notice or document under this section
 27 is considered to be equivalent to any legally required delivery method,
 28 including delivery by:

29 (1) first class mail;

30 (2) first class mail, postage prepaid;

31 (3) certified mail;

32 (4) certificate of mail; or

33 (5) certificate of mailing.

34 ~~(c)~~ **(d)** **Except as provided in subsection (e)**, electronic delivery of
 35 a notice or document by an insurer to a party is permitted under this
 36 chapter if all the following apply:

37 (1) The party has affirmatively consented to electronic delivery
 38 and has not withdrawn the consent.

- 1 (2) The party, before giving consent, is provided with a clear and
2 conspicuous statement informing the party of all the following:
- 3 (A) Any right or option of the party to have the notice or
4 document provided or made available in paper or another
5 nonelectronic form.
- 6 (B) The right of the party to withdraw consent to electronic
7 delivery of a notice or document and any fees, conditions, or
8 consequences that will be imposed on the party if the party
9 withdraws consent.
- 10 (C) Whether the party's consent applies:
- 11 (i) only to the particular transaction as to which the notice or
12 document must be given; or
- 13 (ii) to identified categories of notices or documents subject
14 to electronic delivery during the course of the party's
15 relationship with the insurer.
- 16 (D) The:
- 17 (i) means, after consent is given, by which the party may
18 obtain a paper copy of an electronically delivered notice or
19 document; and
- 20 (ii) applicable fee for the paper copy.
- 21 (E) The procedure the party must follow to:
- 22 (i) withdraw consent to electronic delivery of a notice or
23 document; and
- 24 (ii) update information needed to contact the party
25 electronically.
- 26 (3) The party:
- 27 (A) before giving consent, is provided with a statement of the
28 hardware and software requirements for access to and
29 retention of an electronically delivered notice or document;
30 and
- 31 (B) electronically:
- 32 (i) consents; or
- 33 (ii) confirms consent;
- 34 in a manner that reasonably demonstrates that the party is able
35 to access information in the electronic form that will be used
36 for electronic delivery of notices or documents to which the
37 party has given consent.
- 38 (4) If, after the party has consented to electronic delivery of

1 notices or documents, a change in the hardware or software
 2 requirements needed for the party to access or retain an
 3 electronically delivered notice or document creates a material risk
 4 that the party will not be able to access or retain a subsequent
 5 notice or document to which the consent applies, the insurer:

6 (A) provides the party with a statement of the:

7 (i) revised hardware and software requirements for access to
 8 and retention of an electronically delivered notice or
 9 document; and

10 (ii) right of the party to withdraw consent without the
 11 imposition of a fee, condition, or consequence that was not
 12 disclosed under subdivision (2)(B); and

13 (B) complies with subdivision (2).

14 **(e) Notwithstanding any other provision of this chapter, if a**
 15 **party procures a policy of insurance through an online platform:**

16 **(1) the party affirmatively consents to have all notices and**
 17 **other documents related to the policy delivered to the party**
 18 **electronically; and**

19 **(2) the conditions set forth in subsection (d)(2) through (d)(4)**
 20 **do not apply to the electronic delivery to the party of notices**
 21 **and other documents related to the policy procured through**
 22 **the online platform.**

23 **However, if a party described in this subsection requests to receive**
 24 **notices and documents in paper format, the insurer shall provide**
 25 **all notices and other documents related to the policy to the party**
 26 **in paper format.**

27 SECTION 15. IC 27-1-43-4, AS ADDED BY P.L.119-2014,
 28 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2021]: Sec. 4. (a) This chapter does not affect any applicable
 30 legal requirement related to content or timing of a notice or document.

31 (b) If another law requiring a notice or document to be provided to
 32 a party expressly requires verification or acknowledgment of receipt of
 33 the notice or document, electronic delivery of the notice or document
 34 is permitted only if the method of electronic delivery provides for
 35 verification or acknowledgment of receipt.

36 (c) The legal effectiveness, validity, or enforceability of a contract
 37 or policy of insurance executed by a party may not be denied solely
 38 because of the failure of the insurer to obtain electronic consent or

1 confirmation of consent of the party in accordance with section
2 ~~3(e)(3)(B)~~ **3(d)(3)(B)** of this chapter.

3 SECTION 16. IC 27-1-43-5, AS ADDED BY P.L.119-2014,
4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2021]: Sec. 5. (a) A withdrawal of consent by a party does not
6 affect the legal effectiveness, validity, or enforceability of a notice or
7 document that is electronically delivered to the party before the
8 withdrawal of consent is effective.

9 (b) A withdrawal of consent by a party is effective thirty (30) days
10 after the insurer receives notice of the withdrawal.

11 (c) An insurer's failure to comply with section ~~3(e)(4)~~ **3(d)(4)** of this
12 chapter is, at the election of the party, considered to be a withdrawal of
13 the party's consent under this chapter.

14 SECTION 17. IC 27-1-43.2-5, AS ADDED BY P.L.129-2014,
15 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2021]: Sec. 5. (a) As used in this chapter, "provider" means
17 a person who is contractually obligated to a holder under a service
18 contract.

19 (b) **A merchant or other seller of a service contract is not a**
20 **"provider" for the purposes of this chapter by virtue of acting as**
21 **the seller of the service contract.**

22 SECTION 18. IC 27-1-47 IS ADDED TO THE INDIANA CODE
23 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2021]:

25 **Chapter 47. Activities Not Prohibited as Rebates**

26 **Sec. 1. (a) The following definitions apply throughout this**
27 **section:**

28 (1) **"Drawing" means an activity in which:**
29 (A) **multiple participating persons could possibly receive a**
30 **prize; and**
31 (B) **the person or persons who receive a prize are**
32 **determined by chance, as by randomly drawing one (1) or**
33 **more names or numbers from among many names or**
34 **numbers.**

35 (2) **"Gift" means the voluntary transfer of anything of value**
36 **without consideration.**

37 (3) **"Prize" means something of value received by a person as**
38 **the result of a drawing.**

1 (b) Notwithstanding any other provision of this title, an insurer,
2 an employee of an insurer, or a producer may do the following:

3 (1) Offer and give one (1) or more gifts to a person in
4 connection with marketing for the sale or retention of a
5 contract of insurance if the reasonable value of all gifts given
6 by the insurer, employee, or producer to a person in one (1)
7 year does not exceed two hundred fifty dollars (\$250).

8 (2) Conduct a drawing if:

9 (A) persons participating in the drawing do not pay or
10 incur a cost for their participation; and

11 (B) the value of the prize or prizes received by any single
12 person participating in the drawing does not exceed five
13 hundred dollars (\$500).

14 (c) Neither:

15 (1) a gift given under subsection (b)(1); nor

16 (2) a prize received in a drawing conducted under subsection
17 (b)(2);

18 may be in the form of cash.

19 Sec. 2. (a) An insurer, by or through its employees, affiliates,
20 insurance producers, or third-party representatives, may offer or
21 provide, for free or at a discounted price, products or services that:

22 (1) relate to or are provided in conjunction with a policy of
23 insurance; and

24 (2) are exclusively intended to:

25 (A) educate about;

26 (B) assess;

27 (C) monitor;

28 (D) control; or

29 (E) prevent;

30 risk of loss to persons or to persons' lives, health, or property.

31 (b) Offering or providing products or services under this section
32 is not a violation of IC 27-1-20-30, IC 27-1-22-18, or
33 IC 27-4-1-4(a)(8).

34 Sec. 3. (a) Subject to subsection (b), a person holding a license
35 under this title may offer or provide, for free or for less than fair
36 market value, services that are at least tangentially related to an
37 insurance contract or the administration of an insurance contract
38 if the services:

- 1 **(1) are not contingent upon the purchase of insurance; and**
- 2 **(2) are offered on the same terms to all potential insurance**
- 3 **customers.**

4 **(b) Before:**

- 5 **(1) the recipient of services described in subsection (a):**
- 6 **(A) receives a quote of insurance; or**
- 7 **(B) purchases insurance; or**
- 8 **(2) an agent of record is assigned to the recipient of the**
- 9 **services;**

10 **the person offering or providing services under subsection (a) must**
11 **disclose conspicuously in writing to the recipient of the services**
12 **that receiving the services is not contingent on the purchase of**
13 **insurance.**

14 **Sec. 4. The insurance commissioner may adopt rules under**
15 **IC 4-22-2 to administer this chapter.**

16 SECTION 19. IC 27-4-1-4, AS AMENDED BY P.L.50-2020,
17 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2021]: Sec. 4. (a) The following are hereby defined as unfair
19 methods of competition and unfair and deceptive acts and practices in
20 the business of insurance:

- 21 (1) Making, issuing, circulating, or causing to be made, issued, or
- 22 circulated, any estimate, illustration, circular, or statement:
- 23 (A) misrepresenting the terms of any policy issued or to be
- 24 issued or the benefits or advantages promised thereby or the
- 25 dividends or share of the surplus to be received thereon;
- 26 (B) making any false or misleading statement as to the
- 27 dividends or share of surplus previously paid on similar
- 28 policies;
- 29 (C) making any misleading representation or any
- 30 misrepresentation as to the financial condition of any insurer,
- 31 or as to the legal reserve system upon which any life insurer
- 32 operates;
- 33 (D) using any name or title of any policy or class of policies
- 34 misrepresenting the true nature thereof; or
- 35 (E) making any misrepresentation to any policyholder insured
- 36 in any company for the purpose of inducing or tending to
- 37 induce such policyholder to lapse, forfeit, or surrender the
- 38 policyholder's insurance.

- 1 (2) Making, publishing, disseminating, circulating, or placing
2 before the public, or causing, directly or indirectly, to be made,
3 published, disseminated, circulated, or placed before the public,
4 in a newspaper, magazine, or other publication, or in the form of
5 a notice, circular, pamphlet, letter, or poster, or over any radio or
6 television station, or in any other way, an advertisement,
7 announcement, or statement containing any assertion,
8 representation, or statement with respect to any person in the
9 conduct of the person's insurance business, which is untrue,
10 deceptive, or misleading.
- 11 (3) Making, publishing, disseminating, or circulating, directly or
12 indirectly, or aiding, abetting, or encouraging the making,
13 publishing, disseminating, or circulating of any oral or written
14 statement or any pamphlet, circular, article, or literature which is
15 false, or maliciously critical of or derogatory to the financial
16 condition of an insurer, and which is calculated to injure any
17 person engaged in the business of insurance.
- 18 (4) Entering into any agreement to commit, or individually or by
19 a concerted action committing any act of boycott, coercion, or
20 intimidation resulting or tending to result in unreasonable
21 restraint of, or a monopoly in, the business of insurance.
- 22 (5) Filing with any supervisory or other public official, or making,
23 publishing, disseminating, circulating, or delivering to any person,
24 or placing before the public, or causing directly or indirectly, to
25 be made, published, disseminated, circulated, delivered to any
26 person, or placed before the public, any false statement of
27 financial condition of an insurer with intent to deceive. Making
28 any false entry in any book, report, or statement of any insurer
29 with intent to deceive any agent or examiner lawfully appointed
30 to examine into its condition or into any of its affairs, or any
31 public official to which such insurer is required by law to report,
32 or which has authority by law to examine into its condition or into
33 any of its affairs, or, with like intent, willfully omitting to make a
34 true entry of any material fact pertaining to the business of such
35 insurer in any book, report, or statement of such insurer.
- 36 (6) Issuing or delivering or permitting agents, officers, or
37 employees to issue or deliver, agency company stock or other
38 capital stock, or benefit certificates or shares in any common law

1 corporation, or securities or any special or advisory board
2 contracts or other contracts of any kind promising returns and
3 profits as an inducement to insurance.

4 (7) Making or permitting any of the following:

5 (A) Unfair discrimination between individuals of the same
6 class and equal expectation of life in the rates or assessments
7 charged for any contract of life insurance or of life annuity or
8 in the dividends or other benefits payable thereon, or in any
9 other of the terms and conditions of such contract. However,
10 in determining the class, consideration may be given to the
11 nature of the risk, plan of insurance, the actual or expected
12 expense of conducting the business, or any other relevant
13 factor.

14 (B) Unfair discrimination between individuals of the same
15 class involving essentially the same hazards in the amount of
16 premium, policy fees, assessments, or rates charged or made
17 for any policy or contract of accident or health insurance or in
18 the benefits payable thereunder, or in any of the terms or
19 conditions of such contract, or in any other manner whatever.
20 However, in determining the class, consideration may be given
21 to the nature of the risk, the plan of insurance, the actual or
22 expected expense of conducting the business, or any other
23 relevant factor.

24 (C) Excessive or inadequate charges for premiums, policy
25 fees, assessments, or rates, or making or permitting any unfair
26 discrimination between persons of the same class involving
27 essentially the same hazards, in the amount of premiums,
28 policy fees, assessments, or rates charged or made for:

29 (i) policies or contracts of reinsurance or joint reinsurance,
30 or abstract and title insurance;

31 (ii) policies or contracts of insurance against loss or damage
32 to aircraft, or against liability arising out of the ownership,
33 maintenance, or use of any aircraft, or of vessels or craft,
34 their cargoes, marine builders' risks, marine protection and
35 indemnity, or other risks commonly insured under marine,
36 as distinguished from inland marine, insurance; or

37 (iii) policies or contracts of any other kind or kinds of
38 insurance whatsoever.

1 However, nothing contained in clause (C) shall be construed to
2 apply to any of the kinds of insurance referred to in clauses (A)
3 and (B) nor to reinsurance in relation to such kinds of insurance.
4 Nothing in clause (A), (B), or (C) shall be construed as making or
5 permitting any excessive, inadequate, or unfairly discriminatory
6 charge or rate or any charge or rate determined by the department
7 or commissioner to meet the requirements of any other insurance
8 rate regulatory law of this state.

9 (8) Except as otherwise expressly provided by **IC 27-1-47 or**
10 **another** law, knowingly permitting or offering to make or making
11 any contract or policy of insurance of any kind or kinds
12 whatsoever, including but not in limitation, life annuities, or
13 agreement as to such contract or policy other than as plainly
14 expressed in such contract or policy issued thereon, or paying or
15 allowing, or giving or offering to pay, allow, or give, directly or
16 indirectly, as inducement to such insurance, or annuity, any rebate
17 of premiums payable on the contract, or any special favor or
18 advantage in the dividends, savings, or other benefits thereon, or
19 any valuable consideration or inducement whatever not specified
20 in the contract or policy; or giving, or selling, or purchasing or
21 offering to give, sell, or purchase as inducement to such insurance
22 or annuity or in connection therewith, any stocks, bonds, or other
23 securities of any insurance company or other corporation,
24 association, limited liability company, or partnership, or any
25 dividends, savings, or profits accrued thereon, or anything of
26 value whatsoever not specified in the contract. Nothing in this
27 subdivision and subdivision (7) shall be construed as including
28 within the definition of discrimination or rebates any of the
29 following practices:

30 (A) Paying bonuses to policyholders or otherwise abating their
31 premiums in whole or in part out of surplus accumulated from
32 nonparticipating insurance, so long as any such bonuses or
33 abatements of premiums are fair and equitable to policyholders
34 and for the best interests of the company and its policyholders.

35 (B) In the case of life insurance policies issued on the
36 industrial debit plan, making allowance to policyholders who
37 have continuously for a specified period made premium
38 payments directly to an office of the insurer in an amount

- 1 which fairly represents the saving in collection expense.
- 2 (C) Readjustment of the rate of premium for a group insurance
- 3 policy based on the loss or expense experience thereunder, at
- 4 the end of the first year or of any subsequent year of insurance
- 5 thereunder, which may be made retroactive only for such
- 6 policy year.
- 7 (D) Paying by an insurer or insurance producer thereof duly
- 8 licensed as such under the laws of this state of money,
- 9 commission, or brokerage, or giving or allowing by an insurer
- 10 or such licensed insurance producer thereof anything of value,
- 11 for or on account of the solicitation or negotiation of policies
- 12 or other contracts of any kind or kinds, to a broker, an
- 13 insurance producer, or a solicitor duly licensed under the laws
- 14 of this state, but such broker, insurance producer, or solicitor
- 15 receiving such consideration shall not pay, give, or allow
- 16 credit for such consideration as received in whole or in part,
- 17 directly or indirectly, to the insured by way of rebate.
- 18 (9) Requiring, as a condition precedent to loaning money upon the
- 19 security of a mortgage upon real property, that the owner of the
- 20 property to whom the money is to be loaned negotiate any policy
- 21 of insurance covering such real property through a particular
- 22 insurance producer or broker or brokers. However, this
- 23 subdivision shall not prevent the exercise by any lender of the
- 24 lender's right to approve or disapprove of the insurance company
- 25 selected by the borrower to underwrite the insurance.
- 26 (10) Entering into any contract, combination in the form of a trust
- 27 or otherwise, or conspiracy in restraint of commerce in the
- 28 business of insurance.
- 29 (11) Monopolizing or attempting to monopolize or combining or
- 30 conspiring with any other person or persons to monopolize any
- 31 part of commerce in the business of insurance. However,
- 32 participation as a member, director, or officer in the activities of
- 33 any nonprofit organization of insurance producers or other
- 34 workers in the insurance business shall not be interpreted, in
- 35 itself, to constitute a combination in restraint of trade or as
- 36 combining to create a monopoly as provided in this subdivision
- 37 and subdivision (10). The enumeration in this chapter of specific
- 38 unfair methods of competition and unfair or deceptive acts and

1 practices in the business of insurance is not exclusive or
2 restrictive or intended to limit the powers of the commissioner or
3 department or of any court of review under section 8 of this
4 chapter.

5 (12) Requiring as a condition precedent to the sale of real or
6 personal property under any contract of sale, conditional sales
7 contract, or other similar instrument or upon the security of a
8 chattel mortgage, that the buyer of such property negotiate any
9 policy of insurance covering such property through a particular
10 insurance company, insurance producer, or broker or brokers.
11 However, this subdivision shall not prevent the exercise by any
12 seller of such property or the one making a loan thereon of the
13 right to approve or disapprove of the insurance company selected
14 by the buyer to underwrite the insurance.

15 (13) Issuing, offering, or participating in a plan to issue or offer,
16 any policy or certificate of insurance of any kind or character as
17 an inducement to the purchase of any property, real, personal, or
18 mixed, or services of any kind, where a charge to the insured is
19 not made for and on account of such policy or certificate of
20 insurance. However, this subdivision shall not apply to any of the
21 following:

22 (A) Insurance issued to credit unions or members of credit
23 unions in connection with the purchase of shares in such credit
24 unions.

25 (B) Insurance employed as a means of guaranteeing the
26 performance of goods and designed to benefit the purchasers
27 or users of such goods.

28 (C) Title insurance.

29 (D) Insurance written in connection with an indebtedness and
30 intended as a means of repaying such indebtedness in the
31 event of the death or disability of the insured.

32 (E) Insurance provided by or through motorists service clubs
33 or associations.

34 (F) Insurance that is provided to the purchaser or holder of an
35 air transportation ticket and that:

36 (i) insures against death or nonfatal injury that occurs during
37 the flight to which the ticket relates;

38 (ii) insures against personal injury or property damage that

- 1 occurs during travel to or from the airport in a common
 2 carrier immediately before or after the flight;
- 3 (iii) insures against baggage loss during the flight to which
 4 the ticket relates; or
- 5 (iv) insures against a flight cancellation to which the ticket
 6 relates.
- 7 (14) Refusing, because of the for-profit status of a hospital or
 8 medical facility, to make payments otherwise required to be made
 9 under a contract or policy of insurance for charges incurred by an
 10 insured in such a for-profit hospital or other for-profit medical
 11 facility licensed by the state department of health.
- 12 (15) Refusing to insure an individual, refusing to continue to issue
 13 insurance to an individual, limiting the amount, extent, or kind of
 14 coverage available to an individual, or charging an individual a
 15 different rate for the same coverage, solely because of that
 16 individual's blindness or partial blindness, except where the
 17 refusal, limitation, or rate differential is based on sound actuarial
 18 principles or is related to actual or reasonably anticipated
 19 experience.
- 20 (16) Committing or performing, with such frequency as to
 21 indicate a general practice, unfair claim settlement practices (as
 22 defined in section 4.5 of this chapter).
- 23 (17) Between policy renewal dates, unilaterally canceling an
 24 individual's coverage under an individual or group health
 25 insurance policy solely because of the individual's medical or
 26 physical condition.
- 27 (18) Using a policy form or rider that would permit a cancellation
 28 of coverage as described in subdivision (17).
- 29 (19) Violating IC 27-1-22-25, IC 27-1-22-26, or IC 27-1-22-26.1
 30 concerning motor vehicle insurance rates.
- 31 (20) Violating IC 27-8-21-2 concerning advertisements referring
 32 to interest rate guarantees.
- 33 (21) Violating IC 27-8-24.3 concerning insurance and health plan
 34 coverage for victims of abuse.
- 35 (22) Violating IC 27-8-26 concerning genetic screening or testing.
- 36 (23) Violating IC 27-1-15.6-3(b) concerning licensure of
 37 insurance producers.
- 38 (24) Violating IC 27-1-38 concerning depository institutions.

- 1 (25) Violating IC 27-8-28-17(c) or IC 27-13-10-8(c) concerning
- 2 the resolution of an appealed grievance decision.
- 3 (26) Violating IC 27-8-5-2.5(e) through IC 27-8-5-2.5(j) (expired
- 4 July 1, 2007, and removed) or IC 27-8-5-19.2 (expired July 1,
- 5 2007, and repealed).
- 6 (27) Violating IC 27-2-21 concerning use of credit information.
- 7 (28) Violating IC 27-4-9-3 concerning recommendations to
- 8 consumers.
- 9 (29) Engaging in dishonest or predatory insurance practices in
- 10 marketing or sales of insurance to members of the United States
- 11 Armed Forces as:
- 12 (A) described in the federal Military Personnel Financial
- 13 Services Protection Act, P.L.109-290; or
- 14 (B) defined in rules adopted under subsection (b).
- 15 (30) Violating IC 27-8-19.8-20.1 concerning stranger originated
- 16 life insurance.
- 17 (31) Violating IC 27-2-22 concerning retained asset accounts.
- 18 (32) Violating IC 27-8-5-29 concerning health plans offered
- 19 through a health benefit exchange (as defined in IC 27-19-2-8).
- 20 (33) Violating a requirement of the federal Patient Protection and
- 21 Affordable Care Act (P.L. 111-148), as amended by the federal
- 22 Health Care and Education Reconciliation Act of 2010 (P.L.
- 23 111-152), that is enforceable by the state.
- 24 (34) After June 30, 2015, violating IC 27-2-23 concerning
- 25 unclaimed life insurance, annuity, or retained asset account
- 26 benefits.
- 27 (35) Willfully violating IC 27-1-12-46 concerning a life insurance
- 28 policy or certificate described in IC 27-1-12-46(a).
- 29 (36) Violating IC 27-1-37-7 concerning prohibiting the disclosure
- 30 of health care service claims data.
- 31 (b) Except with respect to federal insurance programs under
- 32 Subchapter III of Chapter 19 of Title 38 of the United States Code, the
- 33 commissioner may, consistent with the federal Military Personnel
- 34 Financial Services Protection Act (10 U.S.C. 992 note), adopt rules
- 35 under IC 4-22-2 to:
- 36 (1) define; and
- 37 (2) while the members are on a United States military installation
- 38 or elsewhere in Indiana, protect members of the United States

1 Armed Forces from;
2 dishonest or predatory insurance practices.

3 SECTION 20. IC 27-7-6-5 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 5. ~~(a) No~~ **A** notice of
5 cancellation of a policy to which section 4 of this chapter applies ~~shall~~
6 **be is not** effective:

7 **(1)** unless ~~it is~~ **mailed or delivered** by the insurer to the named
8 insured at least twenty (20) days prior to the effective date of
9 cancellation; ~~provided, however, that where or~~

10 **(2) if the** cancellation is for nonpayment of premium, **unless it is:**

11 **(A) mailed by the insurer to the named insured** at least ten

12 (10) days ~~notice before the effective date~~ of cancellation; **and**

13 **(B) accompanied by the a written statement of the reason**
14 ~~therefor shall be given.~~ **for the cancellation.**

15 **(b) In the event such If** a policy was procured by an **independent**
16 insurance producer duly licensed by the state of Indiana, notice of
17 intent to cancel ~~the policy~~ shall be mailed ~~or delivered~~ to the
18 **independent** insurance producer at least ten (10) days prior to ~~such the~~
19 **mailing or delivery of the notice of cancellation** to the named insured
20 **under subsection (a)**, unless such notice of intent **to cancel** is or has
21 been waived in writing by the **independent** insurance producer.

22 **(c) Unless a written statement of the reason for the cancellation**
23 accompanies or is included in the notice of cancellation, the notice of
24 cancellation **of a policy that is mailed under subsection (a)** shall state
25 or be accompanied by a statement that, upon ~~the~~ written request of the
26 named insured **that is** mailed or delivered to the insurer not less than
27 fifteen (15) days prior to the effective date of cancellation, the insurer
28 will specify the reason for such cancellation.

29 **(d)** This section ~~shall~~ **does** not apply to nonrenewal.

30 SECTION 21. IC 27-7-6-6, AS AMENDED BY P.L.148-2017,
31 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 2021]: Sec. 6. (a) ~~No~~ **An** insurer shall **not** fail to renew a
33 policy unless it ~~shall mail or deliver mails~~ to the named insured, at the
34 address shown in the policy, at least twenty (20) days advance notice
35 of its intention not to renew **the policy**.

36 **(b) In the event such If** a policy was procured by an **independent**
37 insurance producer duly licensed by the state of Indiana, **a** notice of

1 intent not to renew **the policy** shall be mailed ~~or delivered~~ to the
2 **independent** insurance producer at least ten (10) days prior to ~~such the~~
3 mailing ~~or delivery of the notice of intention not to renew~~ to the
4 named insured **under subsection (a)**, unless such notice of intent is or
5 has been waived in writing by the **independent** insurance producer.

- 6 ~~(b)~~ **(c)** This section ~~shall~~ **does** not apply:
7 (1) if the insurer has manifested its willingness to renew; or
8 (2) in case of nonpayment of premium.

9 However, notwithstanding the failure of an insurer to comply with this
10 section, the policy shall terminate on the effective date of any other
11 insurance policy with respect to any automobile designated in both
12 policies.

13 ~~(c)~~ **(d)** A notice of intention not to renew is not required **under this**
14 **section** if:

- 15 (1) the insured is transferred from an insurer to an affiliate of the
16 insurer for future coverage; and
17 (2) the transfer results in the same or broader coverage.

18 ~~(d)~~ **(e)** Renewal of a policy shall not constitute a waiver or estoppel
19 with respect to grounds for cancellation which existed before the
20 effective date of such renewal.

21 SECTION 22. IC 27-7-12-3, AS AMENDED BY P.L.116-2011,
22 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2021]: Sec. 3. (a) Notice of cancellation of property insurance
24 coverage by an insurer must:

- 25 (1) be in writing;
26 (2) be ~~delivered or~~ mailed to the named insured at the last known
27 address of the named insured;
28 (3) state the effective date of the cancellation; and
29 (4) upon request of the named insured, be accompanied by a
30 written explanation of the specific reasons for the cancellation.

31 (b) An insurer shall ~~provide~~ **mail** written notice of cancellation to
32 the named insured at least:

- 33 (1) ten (10) days before canceling a policy, if the cancellation is
34 for nonpayment of a premium;
35 (2) twenty (20) days before canceling a policy, if:
36 (A) the cancellation occurs more than sixty (60) days after the
37 date of issuance of the policy; or
38 (B) the insurer has received a copy of a complaint under

1 IC 32-30-10.5-8(d)(2) concerning the property; and
2 (3) ten (10) days before canceling a policy, if the cancellation
3 occurs not more than sixty (60) days after the date of issuance of
4 the policy.

5 (c) If the policy was procured by an independent insurance producer
6 licensed in Indiana, the insurer shall ~~deliver~~ **or** mail notice of
7 cancellation to the insurance producer not less than ten (10) days
8 before the insurer ~~delivers~~ **or** mails the notice to the named insured,
9 unless the obligation to notify the insurance producer is waived in
10 writing by the insurance producer.

11 SECTION 23. IC 27-7-12-4, AS AMENDED BY P.L.148-2017,
12 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2021]: Sec. 4. (a) Notice of nonrenewal by an insurer must:

- 14 (1) be in writing;
- 15 (2) be ~~delivered~~ **or** mailed to the named insured at the last known
16 address of the named insured;
- 17 (3) state the insurer's intention not to renew the policy upon
18 expiration of the current policy period;
- 19 (4) upon request of the named insured, be accompanied by a
20 written explanation of the specific reasons for the nonrenewal;
- 21 and
- 22 (5) be ~~provided~~ **mailed** to the named insured at least twenty (20)
23 days before the expiration of the current policy period.

24 (b) If the policy was procured by an independent insurance producer
25 licensed in Indiana, the insurer shall ~~deliver~~ **or** mail notice of
26 nonrenewal to the insurance producer not less than ten (10) days before
27 the insurer ~~delivers~~ **or** mails the notice to the named insured **under**
28 **subsection (a)**, unless the obligation to notify the insurance producer
29 is waived in writing by the insurance producer.

- 30 (c) Notice of nonrenewal under this section is not required if:
 - 31 (1) the named insured is transferred from an insurer to an affiliate
32 of the insurer for future coverage; and
 - 33 (2) the transfer results in the same or broader coverage.
- 34 (d) If an insurer mails ~~or delivers~~ to an insured a renewal notice,

1 bill, certificate, or policy indicating the insurer's willingness to renew
2 a policy and the insured does not respond, the insurer is not required to
3 **provide mail** to the insured notice of intention not to renew."

(Reference is to HB 1405 as introduced.)

and when so amended that said bill do pass.

Representative Carbaugh

