



March 1, 2024

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# ENGROSSED HOUSE BILL No. 1332

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DIGEST OF HB 1332 (Updated February 28, 2024 10:43 am - DI 104)

**Citations Affected:** IC 27-1; IC 27-2; IC 27-4; IC 27-6; IC 27-8; IC 27-13; noncode.

**Synopsis:** Department of insurance regulatory matters. Establishes the insurance producer education and continuing education commission with appointments by the commissioner of the department of insurance. Repeals the insurance producer education and continuing education advisory council. Repeals the law requiring an alien or foreign insurance company to annually submit to the department of insurance (department) a condensed statement of its assets and liabilities and requiring the department to publish the statement in a newspaper. Adds to the law on the regulation of insurance holding company systems provisions concerning liquidity stress testing according to the framework established by the National Association of Insurance Commissioners. Amends the law on insurance administrators to set forth certain circumstances under which an insurance administrator is required to apply to Indiana for a license. Amends the law on individual prescription drug rebates and the law on group prescription drug rebates to authorize the department to adopt rules for the  
(Continued next page)

**Effective:** June 30, 2024; July 1, 2024.

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## Carbaugh, Lehman

(SENATE SPONSOR — BALDWIN)

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January 10, 2024, read first time and referred to Committee on Insurance.  
January 25, 2024, amended, reported — Do Pass.  
January 31, 2024, read second time, ordered engrossed. Engrossed.  
February 1, 2024, read third time, passed. Yeas 95, nays 0.

SENATE ACTION

February 7, 2024, read first time and referred to Committee on Health and Provider Services.  
February 29, 2024, amended, reported favorably — Do Pass.

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## Digest Continued

enforcement of those laws and to specify that a violation of either of those laws is an unfair or deceptive act or practice in the business of insurance. Requires an insurer to only offer to plan sponsors the following plans: (1) A plan that applies 100% of the rebates to reduce premiums for all covered individuals equally. (2) A plan that calculates defined cost sharing for covered individuals of the plan sponsor at the point of sale based on a price that is reduced by an amount equal to at least 85% of all of the rebates received or estimated to be received by the insurer. Allows a marketplace plan to seek a temporary waiver from compliance to prescription drug rebate plan requirements. Changes the date of applicability for provisions regarding a notice of material change from after June 30, 2024, to after June 30, 2025. Amends the property and casualty insurance guaranty association law concerning the allocation, transfer, or assumption by one insurer of a policy that was issued by another insurer.

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March 1, 2024

Second Regular Session of the 123rd General Assembly (2024)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2023 Regular Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1332

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 27-1-15.7-4, AS AMENDED BY P.L.148-2017,  
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2024]: Sec. 4. (a) The commissioner shall approve and  
4 disapprove continuing education courses after considering  
5 recommendations made by the insurance producer education and  
6 continuing education ~~advisory council created~~ **commission established**  
7 under section ~~6~~ **6.5** of this chapter.

8 (b) The commissioner may not approve a course under this section  
9 if the course:

10 (1) is designed to prepare an individual to receive an initial  
11 license under this chapter;

12 (2) concerns only routine, basic office skills, including filing,  
13 keyboarding, and basic computer skills; or

14 (3) may be completed by a licensee without supervision by an  
15 instructor, unless the course involves an examination process that  
16 is:

17 (A) completed and passed by the licensee as determined by the

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- 1 provider of the course; and  
 2 (B) approved by the commissioner.
- 3 (c) The commissioner shall approve a course under this section that  
 4 is submitted for approval by an insurance trade association or  
 5 professional insurance association if:
- 6 (1) the objective of the course is to educate a manager or an  
 7 owner of a business entity that is required to obtain an insurance  
 8 producer license under IC 27-1-15.6-6(d);  
 9 (2) the course teaches insurance producer management and is  
 10 designed to result in improved efficiency in insurance producer  
 11 operations, systems use, or key functions;  
 12 (3) the course is designed to benefit consumers; and  
 13 (4) the course is not described in subsection (b).
- 14 (d) Approval of a continuing education course under this section  
 15 shall be for a period of not more than two (2) years.
- 16 (e) A prospective provider of a continuing education course shall  
 17 pay:
- 18 (1) a fee of forty dollars (\$40) for each course submitted for  
 19 approval of the commissioner under this section; or  
 20 (2) an annual fee of five hundred dollars (\$500) not later than  
 21 January 1 of a calendar year, which entitles the prospective  
 22 provider to submit an unlimited number of courses for approval  
 23 of the commissioner under this section during the calendar year.  
 24 The commissioner may waive all or a portion of the fee for a course  
 25 submitted under a reciprocity agreement with another state for the  
 26 approval or disapproval of continuing education courses. Fees collected  
 27 under this subsection shall be deposited in the department of insurance  
 28 fund established under IC 27-1-3-28.
- 29 (f) A prospective provider of a continuing education course may  
 30 electronically deliver to the commissioner any supporting materials for  
 31 the course.
- 32 (g) The commissioner shall adopt rules under IC 4-22-2 to establish  
 33 procedures for approving continuing education courses.
- 34 SECTION 2. IC 27-1-15.7-5, AS AMENDED BY P.L.81-2012,  
 35 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36 JULY 1, 2024]: Sec. 5. (a) To qualify as a certified prelicensing course  
 37 of study for purposes of IC 27-1-15.6-6, an insurance producer program  
 38 of study must meet all of the following criteria:
- 39 (1) Be conducted or developed by an:
- 40 (A) insurance trade association;  
 41 (B) accredited college or university;  
 42 (C) educational organization certified by the insurance



- 1 producer education and continuing education ~~advisory council;~~  
 2 **commission;** or  
 3 (D) insurance company licensed to do business in Indiana.  
 4 (2) Provide for self-study or instruction provided by an approved  
 5 instructor in a structured setting, as follows:  
 6 (A) For life insurance producers, not less than twenty (20)  
 7 hours of instruction in a structured setting or comparable  
 8 self-study on:  
 9 (i) ethical practices in the marketing and selling of  
 10 insurance;  
 11 (ii) requirements of the insurance laws and administrative  
 12 rules of Indiana; and  
 13 (iii) principles of life insurance.  
 14 (B) For health insurance producers, not less than twenty (20)  
 15 hours of instruction in a structured setting or comparable  
 16 self-study on:  
 17 (i) ethical practices in the marketing and selling of  
 18 insurance;  
 19 (ii) requirements of the insurance laws and administrative  
 20 rules of Indiana; and  
 21 (iii) principles of health insurance.  
 22 (C) For life and health insurance producers, not less than forty  
 23 (40) hours of instruction in a structured setting or comparable  
 24 self-study on:  
 25 (i) ethical practices in the marketing and selling of  
 26 insurance;  
 27 (ii) requirements of the insurance laws and administrative  
 28 rules of Indiana;  
 29 (iii) principles of life insurance; and  
 30 (iv) principles of health insurance.  
 31 (D) For property and casualty insurance producers, not less  
 32 than forty (40) hours of instruction in a structured setting or  
 33 comparable self-study on:  
 34 (i) ethical practices in the marketing and selling of  
 35 insurance;  
 36 (ii) requirements of the insurance laws and administrative  
 37 rules of Indiana;  
 38 (iii) principles of property insurance; and  
 39 (iv) principles of liability insurance.  
 40 (E) For personal lines producers, a minimum of twenty (20)  
 41 hours of instruction in a structured setting or comparable  
 42 self-study on:



- 1 (i) ethical practices in the marketing and selling of  
 2 insurance;  
 3 (ii) requirements of the insurance laws and administrative  
 4 rules of Indiana; and  
 5 (iii) principles of property and liability insurance applicable  
 6 to coverages sold to individuals and families for primarily  
 7 noncommercial purposes.
- 8 (F) For title insurance producers, not less than ten (10) hours  
 9 of instruction in a structured setting or comparable self-study  
 10 on:  
 11 (i) ethical practices in the marketing and selling of title  
 12 insurance;  
 13 (ii) requirements of the insurance laws and administrative  
 14 rules of Indiana;  
 15 (iii) principles of title insurance, including underwriting and  
 16 escrow issues; and  
 17 (iv) principles of the federal Real Estate Settlement  
 18 Procedures Act (12 U.S.C. 2608).
- 19 (G) For annuity product producers, not less than four (4) hours  
 20 of instruction in a structured setting or comparable self-study  
 21 on:  
 22 (i) types and classifications of annuities;  
 23 (ii) identification of the parties to an annuity;  
 24 (iii) the manner in which fixed, variable, and indexed  
 25 annuity contract provisions affect consumers;  
 26 (iv) income taxation of qualified and non-qualified  
 27 annuities;  
 28 (v) primary uses of annuities; and  
 29 (vi) appropriate sales practices, replacement, and disclosure  
 30 requirements.
- 31 (3) Instruction provided in a structured setting must be provided  
 32 only by individuals who meet the qualifications established by the  
 33 commissioner under subsection (b).
- 34 (b) The commissioner, after consulting with the insurance producer  
 35 education and continuing education ~~advisory council~~, **commission**,  
 36 shall adopt rules under IC 4-22-2 prescribing the criteria that a person  
 37 must meet to render instruction in a certified prelicensing course of  
 38 study.
- 39 (c) The commissioner shall adopt rules under IC 4-22-2 prescribing  
 40 the subject matter that an insurance producer program of study must  
 41 cover to qualify for certification as a certified prelicensing course of  
 42 study under this section.



1 (d) The commissioner may make recommendations that the  
2 commissioner considers necessary for improvements in course  
3 materials.

4 (e) The commissioner shall designate a program of study that meets  
5 the requirements of this section as a certified prelicensing course of  
6 study for purposes of IC 27-1-15.6-6.

7 (f) For each person that provides one (1) or more certified  
8 prelicensing courses of study, the commissioner shall annually  
9 determine, of all individuals who received classroom instruction in the  
10 certified prelicensing courses of study provided by the person, the  
11 percentage who passed the examination required by IC 27-1-15.6-5.  
12 The commissioner shall determine only one (1) passing percentage  
13 under this subsection for all lines of insurance described in  
14 IC 27-1-15.6-7(a) for which the person provides classroom instruction  
15 in certified prelicensing courses of study.

16 (g) The commissioner may, after notice and opportunity for a  
17 hearing, do the following:

18 (1) Withdraw the certification of a course of study that does not  
19 maintain reasonable standards, as determined by the  
20 commissioner for the protection of the public.

21 (2) Disqualify a person that is currently qualified under  
22 subsection (b) to render instruction in a certified prelicensing  
23 course of study from rendering the instruction if the passing  
24 percentage calculated under subsection (f) is less than forty-five  
25 percent (45%).

26 (h) Current course materials for a prelicensing course of study that  
27 is certified under this section must be submitted to the commissioner  
28 upon request, but not less frequently than once every three (3) years.

29 ~~SECTION 3. IC 27-1-15.7-6 IS REPEALED [EFFECTIVE JULY~~  
30 ~~1, 2024]. Sec. 6: (a) As used in this section, "council" refers to the~~  
31 ~~insurance producer education and continuing education advisory~~  
32 ~~council created under subsection (b):~~

33 ~~(b) The insurance producer education and continuing education~~  
34 ~~advisory council is created within the department. The council consists~~  
35 ~~of the commissioner and fifteen (15) members appointed by the~~  
36 ~~governor as follows:~~

37 ~~(1) Two (2) members recommended by the Professional Insurance~~  
38 ~~Agents of Indiana:~~

39 ~~(2) Two (2) members recommended by the Independent Insurance~~  
40 ~~Agents of Indiana:~~

41 ~~(3) Two (2) members recommended by the Indiana Association~~  
42 ~~of Insurance and Financial Advisors:~~



- 1 (4) Two (2) members recommended by the Indiana State  
 2 Association of Health Underwriters:  
 3 (5) Two (2) representatives of direct writing or exclusive  
 4 producer's insurance companies:  
 5 (6) One (1) representative of the Association of Life Insurance  
 6 Companies:  
 7 (7) One (1) member recommended by the Insurance Institute of  
 8 Indiana:  
 9 (8) One (1) member recommended by the Indiana Land Title  
 10 Association:  
 11 (9) Two (2) other individuals:  
 12 (e) Members of the council serve for a term of three (3) years:  
 13 Members may not serve more than two (2) consecutive terms:  
 14 (d) Before making appointments to the council, the governor must:  
 15 (1) solicit; and  
 16 (2) select appointees to the council from;  
 17 nominations made by organizations and associations that represent  
 18 individuals and corporations selling insurance in Indiana:  
 19 (e) The council shall meet at least semiannually:  
 20 (f) A member of the council is entitled to the minimum salary per  
 21 diem provided under IC 4-10-11-2.1(b). A member is also entitled to  
 22 reimbursement for traveling expenses and other expenses actually  
 23 incurred in connection with the member's duties; as provided in the  
 24 state travel policies and procedures established by the state department  
 25 of administration and approved by the state budget agency:  
 26 (g) The council shall review and make recommendations to the  
 27 commissioner with respect to course materials, curriculum, and  
 28 credentials of instructors of each precicensing course of study for which  
 29 certification by the commissioner is sought under section 5 of this  
 30 chapter and shall make recommendations to the commissioner with  
 31 respect to educational requirements for insurance producers:  
 32 (h) A member of the council or designee of the commissioner shall  
 33 be permitted access to any classroom while instruction is in progress  
 34 to monitor the classroom instruction:  
 35 (i) The council shall make recommendations to the commissioner  
 36 concerning the following:  
 37 (1) Continuing education courses for which the approval of the  
 38 commissioner is sought under section 4 of this chapter:  
 39 (2) Rules proposed for adoption by the commissioner that would  
 40 affect continuing education:  
 41 SECTION 4. IC 27-1-15.7-6.5 IS ADDED TO THE INDIANA  
 42 CODE AS A NEW SECTION TO READ AS FOLLOWS

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1 [EFFECTIVE JULY 1, 2024]: Sec. 6.5. (a) As used in this section,  
 2 "commission" refers to the insurance producer education and  
 3 continuing education commission established by subsection (b).

4 (b) The insurance producer education and continuing education  
 5 commission is established within the department. The  
 6 commissioner shall appoint the following seven (7) individuals:

7 (1) One (1) individual nominated by the Professional  
 8 Insurance Agents of Indiana or its successor organization.

9 (2) One (1) individual nominated by the Independent  
 10 Insurance Agents of Indiana or its successor organization.

11 (3) One (1) individual nominated by the Indiana Association  
 12 of Insurance and Financial Advisors or its successor  
 13 organization.

14 (4) One (1) individual nominated by the Indiana State  
 15 Association of Health Underwriters or its successor  
 16 organization.

17 (5) One (1) individual nominated by the Association of Life  
 18 Insurance Companies or its successor organization.

19 (6) One (1) individual nominated by the Insurance Institute of  
 20 Indiana or its successor organization.

21 (7) One (1) individual nominated by the Indiana Land Title  
 22 Association or its successor organization.

23 The commissioner shall solicit nominations from the entities set  
 24 forth in this subsection. The commissioner may deny to make the  
 25 appointment of an individual nominated under this subsection only  
 26 if the commissioner determines that the individual is not in good  
 27 standing with the department or is not qualified. If the  
 28 commissioner denies the appointment of an individual nominated  
 29 under this subsection, the commissioner shall provide the  
 30 nominating entity with the reason for the denial and allow the  
 31 nominating entity to submit an alternative nomination.

32 (c) A member of the commission serves for a term of three (3)  
 33 years that expires June 30, 2027, and every third year thereafter.  
 34 A member may not serve more than two (2) consecutive terms.

35 (d) The commissioner shall appoint a member of the commission  
 36 to serve as chairperson, who serves at the will of the commissioner.  
 37 The commission shall meet:

38 (1) at the call of the chairperson; and

39 (2) at least semiannually.

40 The department shall staff the commission. Four (4) members  
 41 constitute a quorum of the commission.

42 (e) The commissioner shall fill a vacancy on the commission



1 with a nomination from the entity that nominated the predecessor  
 2 or the entity's succession. The individual appointed to fill the  
 3 vacancy shall serve for the remainder of the predecessor's term.

4 (f) A member of the commission is entitled to the minimum  
 5 salary per diem provided under IC 4-10-11-2.1(b). A member is  
 6 also entitled to reimbursement for traveling expenses and other  
 7 expenses actually incurred in connection with the member's duties,  
 8 in accordance with state travel policies and procedures established  
 9 by the Indiana department of administration and approved by the  
 10 budget agency. Money paid under this subsection shall be paid  
 11 from amounts appropriated to the department.

12 (g) The commission shall review and make recommendations to  
 13 the commissioner concerning the following:

14 (1) Course materials and curriculum and instructor  
 15 credentials for prelicensing courses of study for which  
 16 certification by the commissioner is sought under section 5 of  
 17 this chapter.

18 (2) Continuing education requirements for insurance  
 19 producers.

20 (3) Continuing education courses for which the approval of  
 21 the commissioner is sought under section 4 of this chapter.

22 (4) Rules proposed for adoption by the commissioner  
 23 concerning continuing education under this chapter.

24 (h) A member of the commission or a designee of the  
 25 commissioner is permitted access to any classroom while  
 26 instruction is in progress to monitor the classroom instruction.

27 SECTION 5. IC 27-1-18-5 IS REPEALED [EFFECTIVE JULY 1,  
 28 2024]. Sec. 5: At the time of filing its annual statement, an alien or  
 29 foreign company shall submit, on a form prescribed by the department,  
 30 a condensed statement of its assets and liabilities as of December 31 of  
 31 the preceding year. If the department, on examination of such  
 32 statement, determines from information available to it that it is true and  
 33 correct, it shall cause such statement to be published in a newspaper in  
 34 this state selected by the department. In the event the department  
 35 determines that the statement submitted by a company is inaccurate or  
 36 incorrect, it shall, after giving the company notice of the proposed  
 37 changes and an opportunity to be heard, certify the corrected statement  
 38 and proceed with its publication as above provided. The company shall  
 39 bear the expenses of the publication, but in no event shall an amount  
 40 exceeding forty dollars (\$40) be charged for such publication. Any cost  
 41 of publication that exceeds forty dollars (\$40) must be borne by the  
 42 newspaper publishing the statement.



1 SECTION 6. IC 27-1-23-1, AS AMENDED BY P.L.72-2016,  
2 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2024]: Sec. 1. As used in this chapter, the following terms  
4 shall have the respective meanings set forth in this section, unless the  
5 context shall otherwise require:

6 (a) An "acquiring party" is the specific person by whom an  
7 acquisition of control of a domestic insurer or of any corporation  
8 controlling a domestic insurer is to be effected, and each person who  
9 directly, or indirectly through one (1) or more intermediaries, controls  
10 the person specified.

11 (b) An "affiliate" of, or person "affiliated" with, a specific person,  
12 is a person that directly, or indirectly through one (1) or more  
13 intermediaries, controls, or is controlled by, or is under common  
14 control with, the person specified.

15 (c) A "beneficial owner" of a voting security includes any person  
16 who, directly or indirectly, through any contract, arrangement,  
17 understanding, relationship, revocable or irrevocable proxy, or  
18 otherwise has or shares:

19 (1) voting power including the power to vote, or to direct the  
20 voting of, the security; or

21 (2) investment power which includes the power to dispose, or to  
22 direct the disposition, of the security.

23 (d) "Commissioner" means the insurance commissioner of this state.

24 (e) "Control" (including the terms "controlling", "controlled by", and  
25 "under common control with") means the possession, direct or indirect,  
26 of the power to direct or cause the direction of the management and  
27 policies of a person, whether through the beneficial ownership of  
28 voting securities, by contract other than a commercial contract for  
29 goods or nonmanagement services, or otherwise, unless the power is  
30 the result of an official position or corporate office. Control shall be  
31 presumed to exist if any person beneficially owns ten percent (10%) or  
32 more of the voting securities of any other person. The commissioner  
33 may determine this presumption has been rebutted only by a showing  
34 made in the manner provided by section 3(k) of this chapter that  
35 control does not exist in fact, after giving all interested persons notice  
36 and an opportunity to be heard. Control shall be presumed again to  
37 exist upon the acquisition of beneficial ownership of each additional  
38 five percent (5%) or more of the voting securities of the other person.  
39 The commissioner may determine, after furnishing all persons in  
40 interest notice and opportunity to be heard, that control exists in fact,  
41 notwithstanding the absence of a presumption to that effect.

42 (f) "Department" means the department of insurance created by



- 1 IC 27-1-1-1.
- 2 (g) A "domestic insurer" is an insurer organized under the laws of  
3 this state.
- 4 (h) "Earned surplus" means an amount equal to the unassigned  
5 funds of an insurer as set forth in the most recent annual statement of  
6 an insurer that is submitted to the commissioner, excluding surplus  
7 arising from unrealized capital gains or revaluation of assets.
- 8 (i) "Enterprise risk" means an activity, circumstance, event, or series  
9 of events that involves at least one (1) affiliate of an insurer that, if not  
10 remedied promptly, is likely to have a material adverse effect upon the  
11 financial condition or liquidity of the insurer or the insurer's insurance  
12 holding company system as a whole, including an activity,  
13 circumstance, event, or series of events that would cause the:
- 14 (1) insurer's risk based capital to fall into company action level  
15 under IC 27-1-36; or
- 16 (2) insurer to be in hazardous financial condition subject to  
17 IC 27-1-3-7 and rules adopted under IC 27-1-3-7.
- 18 **(j) This subsection is effective beginning January 1, 2026.**  
19 **"Group Capital Calculation Instructions" refers to the group**  
20 **capital calculation instructions as adopted by the NAIC and as**  
21 **amended by the NAIC from time to time in accordance with the**  
22 **procedures adopted by the NAIC.**
- 23 ~~(j)~~ **(k)** "Group wide supervisor" means the regulatory official who  
24 is:
- 25 (1) authorized by the commissioner to conduct and coordinate  
26 group wide supervision of an internationally active insurance  
27 group; and
- 28 (2) determined by the commissioner to have sufficient significant  
29 contact with the internationally active insurance group to enable  
30 group wide supervision.
- 31 ~~(k)~~ **(l)** An "insurance holding company system" consists of two (2)  
32 or more affiliated persons, one (1) or more of which is an insurer.
- 33 ~~(l)~~ **(m)** "Insurer" has the same meaning as set forth in IC 27-1-2-3,  
34 except that it does not include:
- 35 (1) agencies, authorities, or instrumentalities of the United States,  
36 its possessions and territories, the Commonwealth of Puerto Rico,  
37 the District of Columbia, or a state or political subdivision of a  
38 state; or
- 39 (2) nonprofit medical and hospital service associations.
- 40 The term includes a health maintenance organization (as defined in  
41 IC 27-13-1-19) and a limited service health maintenance organization  
42 (as defined in IC 27-13-1-27).



1 ~~(m)~~ **(n)** "Internationally active insurance group" means an insurance  
2 holding company system that:

3 (1) includes an insurer that is registered under section 3 of this  
4 chapter; and

5 (2) meets the following requirements:

6 (A) The insurance holding company system has premiums  
7 written in at least three (3) countries.

8 (B) The percentage of the insurance holding company system's  
9 gross premiums written outside the United States is at least ten  
10 percent (10%) of the insurance holding company system's total  
11 gross written premiums.

12 (C) Based on a three (3) year rolling average, the:

13 (i) total assets of the insurance holding company system are  
14 at least fifty billion dollars (\$50,000,000,000); or

15 (ii) total gross written premiums of the insurance holding  
16 company system are at least ten billion dollars  
17 (\$10,000,000,000).

18 ~~(n)~~ **(o)** "NAIC" refers to the National Association of Insurance  
19 Commissioners.

20 **(p) This subsection is effective beginning January 1, 2026.**  
21 **"NAIC Liquidity Stress Test Framework" refers to a separate**  
22 **NAIC publication that includes:**

23 **(1) a history of the NAIC's development of regulatory**  
24 **liquidity stress testing;**

25 **(2) the Scope Criteria applicable for a specific data year; and**

26 **(3) the Liquidity Stress Test instructions and reporting**  
27 **templates for a specific data year, such Scope Criteria,**  
28 **instructions, and a reporting template as adopted by the**  
29 **NAIC and as amended by the NAIC from time to time in**  
30 **accordance with the procedures adopted by the NAIC.**

31 **(q) This subsection is effective beginning January 1, 2026.**  
32 **"Scope Criteria", as detailed in the NAIC Liquidity Stress Test**  
33 **Framework, refers to the designated exposure bases, along with the**  
34 **minimum magnitudes of the designated exposure bases, for the**  
35 **specified data year, which are used to establish a preliminary list**  
36 **of insurers considered scoped into the NAIC Liquidity Stress Test**  
37 **Framework for that data year.**

38 ~~(o)~~ **(r)** "Supervisory college" means a temporary or permanent  
39 forum:

40 (1) comprised of regulators, including other state, federal, and  
41 international regulators, responsible for the supervision of:

42 (A) a domestic insurer that is part of an insurance holding



- 1 company system that has international operations;  
 2 (B) an insurance holding company system described in clause  
 3 (A); or  
 4 (C) an affiliate of:  
 5 (i) a domestic insurer described in clause (A); or  
 6 (ii) an insurance holding company system described in  
 7 clause (B); and  
 8 (2) established to facilitate communication and cooperation  
 9 between the regulators described in subdivision (1).
- 10 ~~(p)~~ (s) A "person" is an individual, a corporation, a limited liability  
 11 company, a partnership, an association, a joint stock company, a trust,  
 12 an unincorporated organization, any similar entity or any combination  
 13 of the foregoing acting in concert. The term does not include the  
 14 following:  
 15 (1) A securities broker performing no more than the usual and  
 16 customary broker's function.  
 17 (2) A joint venture partnership that is exclusively engaged in  
 18 owning, managing, leasing, or developing real or tangible  
 19 personal property.
- 20 ~~(q)~~ (t) A "policyholder" of a domestic insurer includes any person  
 21 who owns an insurance policy or annuity contract issued by the  
 22 domestic insurer, any person reinsured by the domestic insurer under  
 23 a reinsurance contract or treaty between the person and the domestic  
 24 insurer, and any health maintenance organization with which the  
 25 domestic insurer has contracted to provide services or protection  
 26 against the cost of care.
- 27 ~~(r)~~ (u) "Securityholder" means a person that owns a security of a  
 28 specified person, including common stock, preferred stock, debt  
 29 obligations, and any other security that:  
 30 (1) is convertible to; or  
 31 (2) evidences the right to acquire;  
 32 a common stock, preferred stock, or debt obligation.
- 33 ~~(s)~~ (v) A "subsidiary" of a specified person is an affiliate controlled  
 34 by that person directly or indirectly through one (1) or more  
 35 intermediaries.
- 36 ~~(t)~~ (w) "Surplus" means the total of gross paid in and contributed  
 37 surplus, special surplus funds, and unassigned surplus, less treasury  
 38 stock at cost.
- 39 ~~(u)~~ (x) "Voting security" includes any security convertible into or  
 40 evidencing a right to acquire a voting security.
- 41 SECTION 7. IC 27-1-23-3, AS AMENDED BY P.L.124-2018,  
 42 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2024]: Sec. 3. (a) Every insurer which is authorized to do  
 2 business in this state and which is a member of an insurance holding  
 3 company system shall register with the commissioner, except a foreign  
 4 insurer subject to disclosure requirements and standards adopted by  
 5 statute or regulation in the jurisdiction of its domicile which are  
 6 substantially similar to those contained in:

- 7 (1) this section;  
 8 (2) section 4(a) and 4(c) of this chapter; and  
 9 (3) section 4(b) of this chapter or a provision such as the  
 10 following:

11 Each registered insurer shall keep current the information  
 12 required to be disclosed in its registration statement by  
 13 reporting all material changes or additions within fifteen  
 14 (15) days after the end of the month in which it learns of  
 15 each such change or addition.

16 Any insurer which is subject to registration under this section shall  
 17 register within fifteen (15) days after it becomes subject to registration,  
 18 and annually thereafter by July 1 of each year for the previous calendar  
 19 year, unless the commissioner for good cause shown extends the time  
 20 for registration, and then within such extended time. The commissioner  
 21 may require any authorized insurer which is a member of an insurance  
 22 holding company system but not subject to registration under this  
 23 section to furnish a copy of the registration statement or other  
 24 information filed by such insurer with the insurance regulatory  
 25 authority of its domiciliary jurisdiction.

26 (b) Every insurer subject to registration shall file a registration  
 27 statement on a form prescribed by the commissioner, which shall  
 28 contain current information about all of the following:

- 29 (1) The capital structure, general financial condition, ownership  
 30 and management of the insurer and any person controlling the  
 31 insurer.  
 32 (2) The identity of every member of the insurance holding  
 33 company system.  
 34 (3) The following agreements in force, relationships subsisting,  
 35 and transactions that are currently outstanding or that have  
 36 occurred during the last calendar year between such insurer and  
 37 its affiliates:  
 38 (A) loans, other investments, or purchases, sales or exchanges  
 39 of securities of the affiliates by the insurer or of the insurer by  
 40 its affiliates;  
 41 (B) purchases, sales, or exchanges of assets;  
 42 (C) transactions not in the ordinary course of business;



- 1 (D) guarantees or undertakings for the benefit of an affiliate  
 2 which result in an actual contingent exposure of the insurer's  
 3 assets to liability, other than insurance contracts entered into  
 4 in the ordinary course of the insurer's business;  
 5 (E) all management and service contracts and all cost-sharing  
 6 arrangements;  
 7 (F) reinsurance agreements;  
 8 (G) dividends and other distributions to shareholders; and  
 9 (H) consolidated tax allocation agreements.
- 10 (4) Any pledge of the insurer's stock, including stock of any  
 11 subsidiary or controlling affiliate, for a loan made to any member  
 12 of the insurance holding company system.
- 13 (5) If requested by the commissioner, financial statements of the  
 14 insurance holding company system, the parent corporation of the  
 15 insurer, or all affiliates, including annual audited financial  
 16 statements filed with the federal Securities and Exchange  
 17 Commission under the Securities Act of 1933 (15 U.S.C. 77a et  
 18 seq.) or the federal Securities Exchange Act of 1934 (15 U.S.C.  
 19 78a et seq.).
- 20 (6) Statements reflecting that the insurer's:  
 21 (A) board of directors oversees corporate governance and  
 22 internal controls; and  
 23 (B) officers or senior management have approved and  
 24 implemented and maintain and monitor corporate governance  
 25 and internal control procedures.
- 26 (7) Other matters concerning transactions between registered  
 27 insurers and any affiliates as may be included from time to time  
 28 in any registration forms prescribed by the commissioner.
- 29 (8) Other information that the commissioner requires under rules  
 30 adopted under IC 4-22-2.
- 31 (c) Every registration statement must contain a summary outlining  
 32 all items in the current registration statement representing changes  
 33 from the prior registration statement.
- 34 (d) No information need be disclosed on the registration statement  
 35 filed pursuant to subsection (b) if such information is not material for  
 36 the purposes of this section. Unless the commissioner by rule or order  
 37 provides otherwise, sales, purchases, exchanges, loans or extensions of  
 38 credit, or investments, involving one-half of one ~~per cent~~ **percent**  
 39 (0.5%) or less of an insurer's admitted assets as of the ~~31st~~ **thirty-first**  
 40 day of December next preceding shall not be deemed material for  
 41 purposes of this section. **Beginning January 1, 2026, the definition**  
 42 **of materiality set forth in this subsection does not apply for**





1 **purposes of the Group Capital Calculation or the Liquidity Stress**  
2 **Test Framework.**

3 (e) Each registered insurer shall keep current the information  
4 required to be disclosed in its registration statement by reporting all  
5 material changes or additions on amendment forms prescribed by the  
6 commissioner within fifteen (15) days after the end of the month in  
7 which it learns of each such change or addition.

8 (f) A person within an insurance holding company system subject  
9 to registration under this chapter shall provide complete and accurate  
10 information to an insurer when that information is reasonably necessary  
11 to enable the insurer to comply with this chapter.

12 (g) The commissioner shall terminate the registration of any insurer  
13 which demonstrates that it no longer is subject to the provisions of this  
14 section.

15 (h) The commissioner may require or allow two (2) or more  
16 affiliated insurers subject to registration under this section to file a  
17 consolidated registration statement or consolidated reports amending  
18 their consolidated registration statement or their individual registration  
19 statements.

20 (i) The commissioner may allow an insurer which is authorized to  
21 do business in this state and which is a member of an insurance holding  
22 company system to register on behalf of any affiliated insurer which is  
23 required to register under subsection (a) and to file all information and  
24 material required to be filed under this section.

25 (j) The provisions of this section shall not apply to any insurer,  
26 information, or transaction if and to the extent that the commissioner  
27 by rule or order shall exempt the same from the provisions of this  
28 section.

29 (k) Any person may file with the commissioner a disclaimer of  
30 affiliation with any authorized insurer or such a disclaimer may be filed  
31 by such insurer or any member of an insurance holding company  
32 system. The disclaimer shall fully disclose all material relationships  
33 and bases for affiliation between such person and such insurer as well  
34 as the basis for disclaiming such affiliation. After a disclaimer has been  
35 filed, the insurer shall be relieved of any duty to register or report under  
36 this section which may arise out of the insurer's relationship with such  
37 person unless and until the commissioner disallows such disclaimer. A  
38 disclaimer of affiliation is considered to have been granted unless the  
39 commissioner, less than thirty (30) days after receiving a disclaimer,  
40 notifies the person filing the disclaimer that the disclaimer is  
41 disallowed. The commissioner shall disallow such disclaimer only after  
42 furnishing all parties in interest with notice and opportunity to be



1 heard.

2 (l) The person that ultimately controls an insurer that is subject to  
3 registration shall file with the lead state commissioner of the insurance  
4 holding company system (as determined by the procedures in the  
5 Financial Analysis Handbook) an annual enterprise risk report that  
6 identifies, to the best of the person's knowledge, the material risks  
7 within the insurance holding company system that could pose  
8 enterprise risk to the insurer.

9 **(m) This subsection is effective beginning January 1, 2026.**  
10 **Except as otherwise provided in subdivisions (1) through (7), the**  
11 **ultimate controlling person of every insurer subject to registration**  
12 **shall file, concurrently with the registration, an annual group**  
13 **capital calculation as directed by the lead state commissioner. The**  
14 **report shall be completed in accordance with the NAIC Group**  
15 **Capital Calculation Instructions, which may permit the lead state**  
16 **commissioner to allow a controlling person that is not the ultimate**  
17 **controlling person to file the group capital calculation. The report**  
18 **shall be filed with the lead state commissioner of the insurance**  
19 **holding company system as determined by the commissioner in**  
20 **accordance with the procedures within the Financial Analysis**  
21 **Handbook adopted by the NAIC. Insurance holding company**  
22 **systems described in the following are exempt from filing the group**  
23 **capital calculation:**

24 (1) An insurance holding company system that has only one  
25 (1) insurer within its holding company structure, writes  
26 business only in its domestic state, is licensed only in its  
27 domestic state, and assumes no business from any other  
28 insurer.

29 (2) An insurance holding company system that is required to  
30 perform a group capital calculation specified by the United  
31 States Federal Reserve Board. The lead state commissioner  
32 shall request the calculation from the Federal Reserve Board  
33 under the terms of information sharing agreements in effect.  
34 If the Federal Reserve Board cannot share the calculation  
35 with the lead state commissioner, the insurance holding  
36 company system is not exempt from the group capital  
37 calculation filing.

38 (3) An insurance holding company system whose non-United  
39 States group wide supervisor is located within a Reciprocal  
40 Jurisdiction as described in IC 27-6-10.1 that recognizes the  
41 United States state regulatory approach to group supervision  
42 and group capital.



1           **(4) An insurance holding company system:**

2           **(A) that provides information to the lead state that meets**  
3           **the requirements for accreditation under the NAIC**  
4           **financial standards and accreditation program, either**  
5           **directly or indirectly through the group wide supervisor,**  
6           **who has determined such information is satisfactory to**  
7           **allow the lead state to comply with the NAIC group**  
8           **supervision approach, as detailed in the Financial Analysis**  
9           **Handbook adopted by the NAIC; and**

10           **(B) whose non-United States group wide supervisor that is**  
11           **not in a Reciprocal Jurisdiction recognizes and accepts, as**  
12           **specified by the commissioner in regulation, the group**  
13           **capital calculation as the world wide group capital**  
14           **assessment for United States insurance groups that operate**  
15           **in that jurisdiction.**

16           **(5) Notwithstanding the provisions of subdivisions (3) and (4),**  
17           **a lead state commissioner shall require the group capital**  
18           **calculation for United States operations of any non-United**  
19           **States based insurance holding company system where, after**  
20           **any necessary consultation with other supervisors or officials,**  
21           **it is deemed appropriate by the lead state commissioner for**  
22           **prudential oversight and solvency monitoring purposes or for**  
23           **ensuring the competitiveness of the insurance marketplace.**

24           **(6) Notwithstanding the exemptions from filing the group**  
25           **capital calculation stated in subdivisions (1) through (4), the**  
26           **lead state commissioner has the discretion to exempt the**  
27           **ultimate controlling person from filing the annual group**  
28           **capital calculation or to accept a limited group capital filing**  
29           **or report in accordance with criteria as specified by the**  
30           **commissioner in regulation.**

31           **(7) If the lead state commissioner determines that an**  
32           **insurance holding company system no longer meets one (1) or**  
33           **more of the requirements for an exemption from filing the**  
34           **group capital calculation under this section, the insurance**  
35           **holding company system shall file the group capital**  
36           **calculation at the next annual filing date unless given an**  
37           **extension by the lead state commissioner based on reasonable**  
38           **grounds shown.**

39           **(n) This subsection is effective beginning January 1, 2026. The**  
40           **ultimate controlling person of every insurer that is subject to**  
41           **registration and is also scoped into the NAIC Liquidity Stress Test**  
42           **Framework shall file the results of a specific year's Liquidity Stress**



1 **Test. The filing shall be made to the lead state commissioner of the**  
 2 **insurance holding company system as determined by the**  
 3 **procedures within the Financial Analysis Handbook adopted by the**  
 4 **NAIC, subject to the following:**

5 **(1) The NAIC Liquidity Stress Test Framework includes**  
 6 **Scope Criteria applicable to a specific data year. These Scope**  
 7 **Criteria are reviewed at least annually by the NAIC Financial**  
 8 **Stability Task Force or its successor. Any change to the NAIC**  
 9 **Liquidity Stress Test Framework or to the data year for**  
 10 **which the Scope Criteria are to be measured shall be effective**  
 11 **on January 1 of the year following the calendar year when**  
 12 **such changes are adopted. Insurers meeting at least one (1)**  
 13 **threshold of the Scope Criteria are considered scoped into the**  
 14 **NAIC Liquidity Stress Test Framework for the specified data**  
 15 **year unless the lead state commissioner, in consultation with**  
 16 **the NAIC Financial Stability Task Force or its successor,**  
 17 **determines that the insurer should not be scoped into the**  
 18 **NAIC Liquidity Stress Test Framework for that data year.**  
 19 **Similarly, insurers that do not trigger at least one (1)**  
 20 **threshold of the Scope Criteria are considered scoped out of**  
 21 **the NAIC Liquidity Stress Test Framework for the specified**  
 22 **data year unless the lead state commissioner, in consultation**  
 23 **with the NAIC Financial Stability Task Force or its successor,**  
 24 **determines that the insurer should be scoped into the NAIC**  
 25 **Liquidity Stress Test Framework for that data year.**

26 **(2) The performance of, and the filing of the results from, a**  
 27 **specific year's Liquidity Stress Test shall comply with the**  
 28 **NAIC Liquidity Stress Test Framework's instructions and**  
 29 **reporting templates for that year and any lead state**  
 30 **commissioner determinations, in consultation with the NAIC**  
 31 **Financial Stability Task Force or its successor, that are**  
 32 **provided within the NAIC Liquidity Stress Test Framework.**

33 ~~(m)~~ **(o) The commissioner may impose on a person a civil penalty**  
 34 **of one hundred dollars (\$100) per day that the person fails to file,**  
 35 **within the period specified, a:**

36 **(1) registration statement; or**

37 **(2) summary of a registration statement or enterprise risk filing;**  
 38 **required by this section. The commissioner shall deposit a civil penalty**  
 39 **collected under this subsection in the department of insurance fund**  
 40 **established by IC 27-1-3-28.**

41 **SECTION 8. IC 27-1-24.5-20, AS ADDED BY P.L.68-2020,**  
 42 **SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE**

**EH 1332—LS 6979/DI 55**



- 1 JULY 1, 2024]: Sec. 20. (a) The commissioner shall do the following:
- 2 (1) Prescribe an application for use in applying for a license to
- 3 operate as a pharmacy benefit manager.
- 4 (2) Adopt rules under IC 4-22-2 to establish the following:
- 5 (A) Pharmacy benefit manager licensing requirements.
- 6 (B) Licensing fees.
- 7 (C) A license application.
- 8 (D) Financial standards for pharmacy benefit managers.
- 9 (E) Reporting requirements described in **section sections 21**
- 10 **and 29** of this chapter.
- 11 (F) The time frame for the resolution of an appeal under
- 12 section 22 of this chapter.
- 13 (b) The commissioner may do the following:
- 14 (1) Charge a license application fee and renewal fees established
- 15 under subsection (a)(2) in an amount not to exceed five hundred
- 16 dollars (\$500) to be deposited in the department of insurance fund
- 17 established by IC 27-1-3-28.
- 18 (2) Examine or audit the books and records of a pharmacy benefit
- 19 manager one (1) time per year to determine if the pharmacy
- 20 benefit manager is in compliance with this chapter.
- 21 (3) Adopt rules under IC 4-22-2 to:
- 22 (A) implement this chapter; and
- 23 (B) specify requirements for the following:
- 24 (i) Prohibited market conduct practices.
- 25 (ii) Data reporting in connection with violations of state law.
- 26 (iii) Maximum allowable cost list compliance and
- 27 enforcement requirements, including the requirements of
- 28 sections 22 and 23 of this chapter.
- 29 (iv) Prohibitions and limits on pharmacy benefit manager
- 30 practices that require licensure under IC 25-22.5.
- 31 (v) Pharmacy benefit manager affiliate information sharing.
- 32 (vi) Lists of health plans administered by a pharmacy benefit
- 33 manager in Indiana.
- 34 (c) Financial information and proprietary information submitted by
- 35 a pharmacy benefit manager to the department is confidential.
- 36 SECTION 9. IC 27-1-25-11.1, AS AMENDED BY P.L.124-2018,
- 37 SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 38 JULY 1, 2024]: Sec. 11.1. (a) If the home state of a person is Indiana,
- 39 the person shall:
- 40 (1) apply to act as an administrator in Indiana upon the uniform
- 41 application for third party administrator license;
- 42 (2) pay an application fee in an amount determined by the



1 commissioner; and

2 (3) receive a license from the commissioner;  
3 before performing the function of an administrator in Indiana. The  
4 commissioner shall deposit a fee paid under subdivision (2) into the  
5 department of insurance fund established by IC 27-1-3-28.

6 **(b) For the purposes of this section:**

7 **(1) if:**

8 **(A) an administrator is incorporated in Indiana; or**

9 **(B) Indiana is the administrator's principal place of  
10 business within the United States;**

11 **the administrator shall apply to Indiana for a resident  
12 administrator license; and**

13 **(2) if:**

14 **(A) neither the state in which an administrator is  
15 incorporated nor the state that is the administrator's  
16 principal place of business have adopted this chapter or a  
17 substantially similar law governing administrators; and**

18 **(B) the administrator has not designated any other state  
19 that has adopted this chapter or a substantially similar law  
20 governing administrators as its home state;**

21 **the administrator shall apply to Indiana for licensure as its  
22 designated home state.**

23 ~~(b)~~ **(c)** The uniform application for third party administrator license  
24 must include or be accompanied by the following:

25 (1) Basic organizational documents of the applicant, including:

26 (A) articles of incorporation;

27 (B) articles of association;

28 (C) partnership agreement;

29 (D) trade name certificate;

30 (E) trust agreement;

31 (F) shareholder agreement;

32 (G) other applicable documents; and

33 (H) amendments to the documents specified in clauses (A)  
34 through (G).

35 (2) Bylaws, rules, regulations, or other documents that regulate  
36 the internal affairs of the applicant.

37 (3) The NAIC biographical affidavits for individuals who are  
38 responsible for the conduct of affairs of the applicant, including:

39 (A) members of the applicant's:

40 (i) board of directors;

41 (ii) board of trustees;

42 (iii) executive committee; or



- 1 (iv) other governing board or committee;  
 2 (B) principal officers, if the applicant is a corporation;  
 3 (C) partners or members, if the applicant is:  
 4 (i) a partnership;  
 5 (ii) an association; or  
 6 (iii) a limited liability company;  
 7 (D) shareholders or members that hold, directly or indirectly,  
 8 at least ten percent (10%) of the:  
 9 (i) voting stock;  
 10 (ii) voting securities; or  
 11 (iii) voting interest;  
 12 of the applicant; and  
 13 (E) any other person who exercises control or influence over  
 14 the affairs of the applicant.  
 15 (4) Financial information reflecting a positive net worth,  
 16 including:  
 17 (A) audited annual financial statements prepared by an  
 18 independent certified public accountant for the two (2) most  
 19 recent fiscal years; or  
 20 (B) if the applicant has been in business for less than two (2)  
 21 fiscal years, financial statements or reports that are:  
 22 (i) prepared in accordance with GAAP; and  
 23 (ii) certified by an officer of the applicant;  
 24 for any completed fiscal years and for any month during the  
 25 current fiscal year for which financial statements or reports  
 26 have been completed.  
 27 If an audited financial statement or report required under clause  
 28 (A) or (B) is prepared on a consolidated basis, the statement or  
 29 report must include a columnar consolidating or combining  
 30 worksheet that includes the amounts shown on the consolidated  
 31 audited financial statement or report, separately reported on the  
 32 worksheet for each entity included on the statement or report, and  
 33 an explanation of consolidating and eliminating entries.  
 34 (5) Information determined by the commissioner to be necessary  
 35 for a review of the current financial condition of the applicant.  
 36 (6) A description of the business plan of the applicant, including:  
 37 (A) information on staffing levels and activities proposed in  
 38 Indiana and nationwide; and  
 39 (B) details concerning the applicant's ability to provide a  
 40 sufficient number of experienced and qualified personnel for:  
 41 (i) claims processing;  
 42 (ii) record keeping; and



- 1 (iii) underwriting.
- 2 (7) Any other information required by the commissioner.
- 3 ~~(e)~~ **(d)** An administrator that applies for licensure under this section
- 4 shall make copies of written agreements with insurers available for
- 5 inspection by the commissioner.
- 6 ~~(d)~~ **(e)** An administrator that applies for licensure under this section
- 7 shall:
- 8 (1) produce the administrator's accounts, records, and files for
- 9 examination; and
- 10 (2) make the administrator's officers available to provide
- 11 information concerning the affairs of the administrator;
- 12 whenever reasonably required by the commissioner.
- 13 ~~(e)~~ **(f)** The commissioner may refuse to issue a license under this
- 14 section if the commissioner determines that:
- 15 (1) the administrator or an individual who is responsible for the
- 16 conduct of the affairs of the administrator:
- 17 (A) is not:
- 18 (i) competent;
- 19 (ii) trustworthy;
- 20 (iii) financially responsible; or
- 21 (iv) of good personal and business reputation; or
- 22 (B) has had an:
- 23 (i) insurance certificate of authority or insurance license; or
- 24 (ii) administrator certificate of authority or administrator
- 25 license;
- 26 denied or revoked for cause by any jurisdiction;
- 27 (2) the financial information provided under subsection ~~(b)~~**(4)**
- 28 ~~(c)~~**(4)** does not reflect that the applicant has a positive net worth;
- 29 or
- 30 (3) any of the grounds set forth in section 12.4 of this chapter
- 31 exists with respect to the administrator.
- 32 ~~(f)~~ **(g)** An administrator that applies for a license under this section
- 33 shall immediately notify the commissioner of a material change in:
- 34 (1) the ownership or control of the administrator; or
- 35 (2) another fact or circumstance that affects the administrator's
- 36 qualification for a license.
- 37 The commissioner, upon receiving notice under this subsection, shall
- 38 report the change to the centralized insurance producer license registry
- 39 described in IC 27-1-15.6-7.
- 40 ~~(g)~~ **(h)** An administrator that applies for a license under this section
- 41 and will administer a governmental plan or a church plan shall obtain
- 42 a bond as required under section 4(g) of this chapter.





- 1           ~~(h)~~ (i) A license that is issued under this section is valid:  
 2           (1) for one (1) year after the date of issuance, unless subdivision  
 3           (2) applies; or  
 4           (2) until:  
 5           (A) the license is:  
 6           (i) surrendered; or  
 7           (ii) suspended or revoked by the commissioner; or  
 8           (B) the administrator:  
 9           (i) ceases to do business in Indiana; or  
 10           (ii) is not in compliance with this chapter.

11           SECTION 10. IC 27-1-25-12.3, AS AMENDED BY P.L.124-2018,  
 12           SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 13           JULY 1, 2024]: Sec. 12.3. (a) An administrator that is licensed under  
 14           section 11.1 of this chapter shall, not later than July 1 of each year  
 15           unless the commissioner grants an extension of time for good cause,  
 16           file a report for the previous calendar year that complies with the  
 17           following:

- 18           (1) The report must contain financial information reflecting a  
 19           positive net worth prepared in accordance with section ~~11.1(b)(4)~~  
 20           **11.1(c)(4)** of this chapter.  
 21           (2) The report must be in the form and contain matters prescribed  
 22           by the commissioner.  
 23           (3) The report must be verified by at least two (2) officers of the  
 24           administrator.  
 25           (4) The report must include the complete names and addresses of  
 26           insurers with which the administrator had a written agreement  
 27           during the preceding fiscal year.  
 28           (5) The report must be accompanied by a filing fee in an amount  
 29           determined by the commissioner.

30           The commissioner shall collect a filing fee paid under subdivision (5)  
 31           and deposit the fee into the department of insurance fund established  
 32           by IC 27-1-3-28.

33           (b) The commissioner shall review a report filed under subsection  
 34           (a) not later than September 1 of the year in which the report is filed.  
 35           Upon completion of the review, the commissioner shall:

- 36           (1) issue a certification to the administrator:  
 37           (A) indicating that:  
 38           (i) the financial statement reflects a positive net worth; and  
 39           (ii) the administrator is currently licensed and in good  
 40           standing; or  
 41           (B) noting deficiencies found in the report; or  
 42           (2) update the centralized insurance producer license registry



1 described in IC 27-1-15.6-7:

2 (A) indicating that the administrator is solvent and in  
3 compliance with this chapter; or

4 (B) noting deficiencies found in the report.

5 SECTION 11. IC 27-1-49-9, AS ADDED BY P.L.166-2023,  
6 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
7 JULY 1, 2024]: Sec. 9. **(a)** The department may enforce the  
8 requirements of this chapter to the extent permissible under applicable  
9 law.

10 **(b) A violation of this chapter is an unfair or deceptive act or**  
11 **practice in the business of insurance under IC 27-4-1-4.**

12 **(c) The department may adopt rules under IC 4-22-2 to set forth**  
13 **finest for violations of this chapter.**

14 SECTION 12. IC 27-1-50-9, AS ADDED BY P.L.166-2023,  
15 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
16 JULY 1, 2024]: Sec. 9. **(a)** At the time of contracting, an insurer shall  
17 **provide only offer to plan sponsors the option of following plans:**

18 **(1) A plan that applies one hundred percent (100%) of the**  
19 **rebates to reduce premiums for all covered individuals**  
20 **equally.**

21 **(2) A plan calculating that calculates** defined cost sharing for  
22 covered individuals of the plan sponsor at the point of sale based  
23 on a price that is reduced by ~~some~~ **or an amount equal to at least**  
24 **eighty-five percent (85%) of** all of the rebates received or  
25 estimated to be received by the insurer concerning the dispensing  
26 or administration of the prescription drug.

27 **(b) A plan sponsor may choose one (1) of the plans offered**  
28 **under subsection (a).**

29 SECTION 13. IC 27-1-50-11, AS ADDED BY P.L.166-2023,  
30 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
31 JULY 1, 2024]: Sec. 11. An insurer shall disclose the following  
32 information to a plan sponsor on at least an annual basis:

33 (1) The approximate amount of rebates expected to be received by  
34 the insurer concerning the dispensing or administration of  
35 prescription drugs to the covered individuals of the plan sponsor.

36 (2) An explanation that the plan sponsor may choose to:

37 (A) apply the rebates to reduce premiums for all covered  
38 individuals; or

39 (B) calculate defined cost sharing for a covered individual at  
40 the point of sale based on a price that is reduced by **an**  
41 **amount equal to at least eighty-five percent (85%) of all**  
42 rebates received or estimated to be received by the insurer



1 concerning the dispensing or administration of the covered  
2 individual's prescription drugs.

3 (3) An explanation that, in the individual market, IC 27-1-49  
4 requires that covered individual defined cost sharing be calculated  
5 at the point of sale based on a price that is reduced by at least  
6 eighty-five percent (85%) of the rebates concerning the  
7 dispensing or administration of the covered individual's  
8 prescription drugs.

9 SECTION 14. IC 27-1-50-12, AS ADDED BY P.L.166-2023,  
10 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
11 JULY 1, 2024]: Sec. 12. (a) The department may enforce the  
12 requirements of this chapter to the extent permissible under applicable  
13 law.

14 (b) **A violation of this chapter is an unfair or deceptive act or**  
15 **practice in the business of insurance under IC 27-4-1-4.**

16 (c) **The department may adopt rules under IC 4-22-2 that:**

17 (1) **provide for the enforcement of this chapter; and**

18 (2) **set forth fines for violations of this chapter.**

19 SECTION 15. IC 27-2-28-1, AS ADDED BY P.L.226-2023,  
20 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
21 JUNE 30, 2024]: Sec. 1. (a) This chapter applies to a personal  
22 automobile or homeowner's policy that is issued, delivered, amended,  
23 or renewed after June 30, ~~2024~~. **2025.**

24 (b) This chapter does not apply to notices required by the federal  
25 Fair Credit Reporting Act (15 U.S.C. 1681 et seq.).

26 SECTION 16. IC 27-4-1-4, AS AMENDED BY P.L.56-2023,  
27 SECTION 244, IS AMENDED TO READ AS FOLLOWS  
28 [EFFECTIVE JULY 1, 2024]: Sec. 4. (a) The following are hereby  
29 defined as unfair methods of competition and unfair and deceptive acts  
30 and practices in the business of insurance:

31 (1) Making, issuing, circulating, or causing to be made, issued, or  
32 circulated, any estimate, illustration, circular, or statement:

33 (A) misrepresenting the terms of any policy issued or to be  
34 issued or the benefits or advantages promised thereby or the  
35 dividends or share of the surplus to be received thereon;

36 (B) making any false or misleading statement as to the  
37 dividends or share of surplus previously paid on similar  
38 policies;

39 (C) making any misleading representation or any  
40 misrepresentation as to the financial condition of any insurer,  
41 or as to the legal reserve system upon which any life insurer  
42 operates;



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



1 employees to issue or deliver, agency company stock or other  
 2 capital stock, or benefit certificates or shares in any common law  
 3 corporation, or securities or any special or advisory board  
 4 contracts or other contracts of any kind promising returns and  
 5 profits as an inducement to insurance.

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

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

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

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

31 (i) policies or contracts of reinsurance or joint reinsurance,  
 32 or abstract and title insurance;

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

39 (iii) policies or contracts of any other kind or kinds of  
 40 insurance whatsoever.

41 However, nothing contained in clause (C) shall be construed to  
 42 apply to any of the kinds of insurance referred to in clauses (A)



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

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

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

33 (B) In the case of life insurance policies issued on the  
 34 industrial debit plan, making allowance to policyholders who  
 35 have continuously for a specified period made premium  
 36 payments directly to an office of the insurer in an amount  
 37 which fairly represents the saving in collection expense.

38 (C) Readjustment of the rate of premium for a group insurance  
 39 policy based on the loss or expense experience thereunder, at  
 40 the end of the first year or of any subsequent year of insurance  
 41 thereunder, which may be made retroactive only for such  
 42 policy year.



- 1 (D) Paying by an insurer or insurance producer thereof duly  
2 licensed as such under the laws of this state of money,  
3 commission, or brokerage, or giving or allowing by an insurer  
4 or such licensed insurance producer thereof anything of value,  
5 for or on account of the solicitation or negotiation of policies  
6 or other contracts of any kind or kinds, to a broker, an  
7 insurance producer, or a solicitor duly licensed under the laws  
8 of this state, but such broker, insurance producer, or solicitor  
9 receiving such consideration shall not pay, give, or allow  
10 credit for such consideration as received in whole or in part,  
11 directly or indirectly, to the insured by way of rebate.
- 12 (9) Requiring, as a condition precedent to loaning money upon the  
13 security of a mortgage upon real property, that the owner of the  
14 property to whom the money is to be loaned negotiate any policy  
15 of insurance covering such real property through a particular  
16 insurance producer or broker or brokers. However, this  
17 subdivision shall not prevent the exercise by any lender of the  
18 lender's right to approve or disapprove of the insurance company  
19 selected by the borrower to underwrite the insurance.
- 20 (10) Entering into any contract, combination in the form of a trust  
21 or otherwise, or conspiracy in restraint of commerce in the  
22 business of insurance.
- 23 (11) Monopolizing or attempting to monopolize or combining or  
24 conspiring with any other person or persons to monopolize any  
25 part of commerce in the business of insurance. However,  
26 participation as a member, director, or officer in the activities of  
27 any nonprofit organization of insurance producers or other  
28 workers in the insurance business shall not be interpreted, in  
29 itself, to constitute a combination in restraint of trade or as  
30 combining to create a monopoly as provided in this subdivision  
31 and subdivision (10). The enumeration in this chapter of specific  
32 unfair methods of competition and unfair or deceptive acts and  
33 practices in the business of insurance is not exclusive or  
34 restrictive or intended to limit the powers of the commissioner or  
35 department or of any court of review under section 8 of this  
36 chapter.
- 37 (12) Requiring as a condition precedent to the sale of real or  
38 personal property under any contract of sale, conditional sales  
39 contract, or other similar instrument or upon the security of a  
40 chattel mortgage, that the buyer of such property negotiate any  
41 policy of insurance covering such property through a particular  
42 insurance company, insurance producer, or broker or brokers.



1 However, this subdivision shall not prevent the exercise by any  
 2 seller of such property or the one making a loan thereon of the  
 3 right to approve or disapprove of the insurance company selected  
 4 by the buyer to underwrite the insurance.

5 (13) Issuing, offering, or participating in a plan to issue or offer,  
 6 any policy or certificate of insurance of any kind or character as  
 7 an inducement to the purchase of any property, real, personal, or  
 8 mixed, or services of any kind, where a charge to the insured is  
 9 not made for and on account of such policy or certificate of  
 10 insurance. However, this subdivision shall not apply to any of the  
 11 following:

12 (A) Insurance issued to credit unions or members of credit  
 13 unions in connection with the purchase of shares in such credit  
 14 unions.

15 (B) Insurance employed as a means of guaranteeing the  
 16 performance of goods and designed to benefit the purchasers  
 17 or users of such goods.

18 (C) Title insurance.

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

22 (E) Insurance provided by or through motorists service clubs  
 23 or associations.

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

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

28 (ii) insures against personal injury or property damage that  
 29 occurs during travel to or from the airport in a common  
 30 carrier immediately before or after the flight;

31 (iii) insures against baggage loss during the flight to which  
 32 the ticket relates; or

33 (iv) insures against a flight cancellation to which the ticket  
 34 relates.

35 (14) Refusing, because of the for-profit status of a hospital or  
 36 medical facility, to make payments otherwise required to be made  
 37 under a contract or policy of insurance for charges incurred by an  
 38 insured in such a for-profit hospital or other for-profit medical  
 39 facility licensed by the Indiana department of health.

40 (15) Refusing to insure an individual, refusing to continue to issue  
 41 insurance to an individual, limiting the amount, extent, or kind of  
 42 coverage available to an individual, or charging an individual a





- 1 different rate for the same coverage, solely because of that  
 2 individual's blindness or partial blindness, except where the  
 3 refusal, limitation, or rate differential is based on sound actuarial  
 4 principles or is related to actual or reasonably anticipated  
 5 experience.
- 6 (16) Committing or performing, with such frequency as to  
 7 indicate a general practice, unfair claim settlement practices (as  
 8 defined in section 4.5 of this chapter).
- 9 (17) Between policy renewal dates, unilaterally canceling an  
 10 individual's coverage under an individual or group health  
 11 insurance policy solely because of the individual's medical or  
 12 physical condition.
- 13 (18) Using a policy form or rider that would permit a cancellation  
 14 of coverage as described in subdivision (17).
- 15 (19) Violating IC 27-1-22-25, IC 27-1-22-26, or IC 27-1-22-26.1  
 16 concerning motor vehicle insurance rates.
- 17 (20) Violating IC 27-8-21-2 concerning advertisements referring  
 18 to interest rate guarantees.
- 19 (21) Violating IC 27-8-24.3 concerning insurance and health plan  
 20 coverage for victims of abuse.
- 21 (22) Violating IC 27-8-26 concerning genetic screening or testing.
- 22 (23) Violating IC 27-1-15.6-3(b) concerning licensure of  
 23 insurance producers.
- 24 (24) Violating IC 27-1-38 concerning depository institutions.
- 25 (25) Violating IC 27-8-28-17(c) or IC 27-13-10-8(c) concerning  
 26 the resolution of an appealed grievance decision.
- 27 (26) Violating IC 27-8-5-2.5(e) through IC 27-8-5-2.5(j) (expired  
 28 July 1, 2007, and removed) or IC 27-8-5-19.2 (expired July 1,  
 29 2007, and repealed).
- 30 (27) Violating IC 27-2-21 concerning use of credit information.
- 31 (28) Violating IC 27-4-9-3 concerning recommendations to  
 32 consumers.
- 33 (29) Engaging in dishonest or predatory insurance practices in  
 34 marketing or sales of insurance to members of the United States  
 35 Armed Forces as:
- 36 (A) described in the federal Military Personnel Financial  
 37 Services Protection Act, P.L.109-290; or
- 38 (B) defined in rules adopted under subsection (b).
- 39 (30) Violating IC 27-8-19.8-20.1 concerning stranger originated  
 40 life insurance.
- 41 (31) Violating IC 27-2-22 concerning retained asset accounts.
- 42 (32) Violating IC 27-8-5-29 concerning health plans offered



- 1 through a health benefit exchange (as defined in IC 27-19-2-8).  
 2 (33) Violating a requirement of the federal Patient Protection and  
 3 Affordable Care Act (P.L. 111-148), as amended by the federal  
 4 Health Care and Education Reconciliation Act of 2010 (P.L.  
 5 111-152), that is enforceable by the state.  
 6 (34) After June 30, 2015, violating IC 27-2-23 concerning  
 7 unclaimed life insurance, annuity, or retained asset account  
 8 benefits.  
 9 (35) Willfully violating IC 27-1-12-46 concerning a life insurance  
 10 policy or certificate described in IC 27-1-12-46(a).  
 11 (36) Violating IC 27-1-37-7 concerning prohibiting the disclosure  
 12 of health care service claims data.  
 13 (37) Violating IC 27-4-10-10 concerning virtual claims payments.  
 14 (38) Violating IC 27-1-24.5 concerning pharmacy benefit  
 15 managers.  
 16 (39) Violating IC 27-7-17-16 or IC 27-7-17-17 concerning the  
 17 marketing of travel insurance policies.  
 18 **(40) Violating IC 27-1-49 concerning individual prescription**  
 19 **drug rebates.**  
 20 **(41) Violating IC 27-1-50 concerning group prescription drug**  
 21 **rebates.**  
 22 (b) Except with respect to federal insurance programs under  
 23 Subchapter III of Chapter 19 of Title 38 of the United States Code, the  
 24 commissioner may, consistent with the federal Military Personnel  
 25 Financial Services Protection Act (10 U.S.C. 992 note), adopt rules  
 26 under IC 4-22-2 to:  
 27 (1) define; and  
 28 (2) while the members are on a United States military installation  
 29 or elsewhere in Indiana, protect members of the United States  
 30 Armed Forces from;  
 31 dishonest or predatory insurance practices.  
 32 SECTION 17. IC 27-6-8-4, AS AMENDED BY P.L.52-2013,  
 33 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 34 JULY 1, 2024]: Sec. 4. **(a)** As used in this chapter, unless otherwise  
 35 provided:  
 36 (1) The term "account" means any one (1) of the three (3)  
 37 accounts created by section 5 of this chapter.  
 38 (2) The term "association" means the Indiana Insurance Guaranty  
 39 Association created by section 5 of this chapter.  
 40 (3) The term "commissioner" means the commissioner of  
 41 insurance of this state.  
 42 (4) The term "covered claim" means an unpaid claim which arises



1 out of and is within the coverage and not in excess of the  
 2 applicable limits of an insurance policy to which this chapter  
 3 applies issued by an insurer, if the insurer becomes an insolvent  
 4 insurer after the effective date (January 1, 1972) of this chapter  
 5 and (a) the claimant or insured is a resident of this state at the  
 6 time of the insured event or (b) the property from which the claim  
 7 arises is permanently located in this state. "Covered claim" shall  
 8 be limited as provided in section 7 of this chapter, and shall not  
 9 include the following:

10 (A) Any amount due any reinsurer, insurer, insurance pool, or  
 11 underwriting association, as subrogation recoveries or  
 12 otherwise. However, a claim for any such amount, asserted  
 13 against a person insured under a policy issued by an insurer  
 14 which has become an insolvent insurer, which if it were not a  
 15 claim by or for the benefit of a reinsurer, insurer, insurance  
 16 pool or underwriting association, would be a "covered claim"  
 17 may be filed directly with the receiver or liquidator of the  
 18 insolvent insurer, but in no event may any such claim be  
 19 asserted in any legal action against the insured of such  
 20 insolvent insurer.

21 (B) Any supplementary obligation including but not limited to  
 22 adjustment fees and expenses, attorney fees and expenses,  
 23 court costs, interest and bond premiums, whether arising as a  
 24 policy benefit or otherwise, prior to the appointment of a  
 25 liquidator.

26 (C) Any unpaid claim that is filed with the association after the  
 27 final date set by the court for the filing of claims against the  
 28 liquidator or receiver of an insolvent insurer. For the purpose  
 29 of filing a claim under this clause, notice of a claim to the  
 30 liquidator of the insolvent insurer is considered to be notice to  
 31 the association or the agent of the association and a list of  
 32 claims must be periodically submitted to the association (or  
 33 another state's association that is similar to the association) by  
 34 the liquidator.

35 (D) A claim that is excluded under section 11.5 of this chapter  
 36 due to the high net worth of an insured.

37 (E) Any claim by a person who directly or indirectly controls,  
 38 is controlled, or is under common control with an insolvent  
 39 insurer on December 31 of the year before the order of  
 40 liquidation.

41 All covered claims filed in the liquidation proceedings shall be  
 42 referred immediately to the association by the liquidator for



1 processing as provided in this chapter.

2 (5) The term "high net worth insured" means the following:

3 (A) For purposes of section 11.5(a) of this chapter, an insured  
4 that has a net worth (including the aggregate net worth of the  
5 insured and all subsidiaries and affiliates of the insured,  
6 calculated on a consolidated basis) that exceeds twenty-five  
7 million dollars (\$25,000,000) on December 31 of the year  
8 immediately preceding the year in which the insurer becomes  
9 an insolvent insurer.

10 (B) For purposes of section 11.5(b) of this chapter, an insured  
11 that has a net worth (including the aggregate net worth of the  
12 insured and all subsidiaries and affiliates of the insured,  
13 calculated on a consolidated basis) that exceeds fifty million  
14 dollars (\$50,000,000) on December 31 of the year immediately  
15 preceding the year in which the insurer becomes an insolvent  
16 insurer.

17 (6) The term "insolvent insurer" means (a) a member insurer  
18 holding a valid certificate of authority to transact insurance in this  
19 state either at the time the policy was issued or when the insured  
20 event occurred and (b) against whom a final order of liquidation,  
21 with a finding of insolvency, to which there is no further right of  
22 appeal, has been entered by a court of competent jurisdiction in  
23 the company's state of domicile. "Insolvent insurer" shall not be  
24 construed to mean an insurer with respect to which an order,  
25 decree, judgment or finding of insolvency whether preliminary or  
26 temporary in nature or order to rehabilitation or conservation has  
27 been issued by any court of competent jurisdiction prior to  
28 January 1, 1972 or which is adjudicated to have been insolvent  
29 prior to that date.

30 (7) The term "member insurer" means any person who is licensed  
31 or holds a certificate of authority under IC 27-1-6-18 or  
32 IC 27-1-17-1 to transact in Indiana any kind of insurance for  
33 which coverage is provided under section 3 of this chapter,  
34 including the exchange of reciprocal or inter-insurance contracts.  
35 The term includes any insurer whose license or certificate of  
36 authority to transact such insurance in Indiana may have been  
37 suspended, revoked, not renewed, or voluntarily surrendered. A  
38 "member insurer" does not include farm mutual insurance  
39 companies organized and operating pursuant to IC 27-5.1 other  
40 than a company to which IC 27-5.1-2-6 applies.

41 (8) The term "net direct written premiums" means direct gross  
42 premiums written in this state on insurance policies to which this



1 chapter applies, less return premiums thereon and dividends paid  
 2 or credited to policyholders on such direct business. "Net direct  
 3 premiums written" does not include premiums on contracts  
 4 between insurers or reinsurers.

5 (9) The term "person" means an individual, an aggregation of  
 6 individuals, a corporation, a partnership, or another entity.

7 **(b) Notwithstanding any other provision in this chapter, an**  
 8 **insurance policy that is issued by a member insurer and later**  
 9 **allocated, transferred, assumed by, or otherwise made the sole**  
 10 **responsibility of another insurer, pursuant to a state statute**  
 11 **providing for the division of an insurance company or the statutory**  
 12 **assumption or transfer of designated policies and under which**  
 13 **there is no remaining obligation to the transferring entity, shall be**  
 14 **considered to have been issued by a member insurer which is an**  
 15 **insolvent insurer for the purposes of this chapter in the event that**  
 16 **the insurer to which the policy has been allocated, transferred,**  
 17 **assumed by, or otherwise made the sole responsibility of is placed**  
 18 **in liquidation.**

19 **(c) An insurance policy that was issued by a nonmember insurer**  
 20 **and later allocated, transferred, assumed by, or otherwise made**  
 21 **the sole responsibility of a member insurer under a state statute**  
 22 **shall not be considered to have been issued by a member insurer**  
 23 **for the purposes of this chapter.**

24 SECTION 18. IC 27-6-8-5, AS AMENDED BY P.L.52-2013,  
 25 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 26 JULY 1, 2024]: Sec. 5. There is created a nonprofit unincorporated  
 27 legal entity to be known as the Indiana Insurance Guaranty Association  
 28 (referred to in this chapter as the "association"). All insurers defined as  
 29 member insurers in section ~~4(7)~~ **4(a)(7)** of this chapter shall be and  
 30 remain members of the association as a condition of their authority to  
 31 transact insurance in this state. The association shall perform its  
 32 functions under a plan of operation established and approved under  
 33 section 8 of this chapter and shall exercise its powers through a board  
 34 of directors established under section 6 of this chapter. For purposes of  
 35 administration and assessment, the association shall be divided into  
 36 three (3) separate accounts:

- 37 (1) The worker's compensation insurance account.
- 38 (2) The automobile insurance account.
- 39 (3) The account for all other insurance to which this chapter  
 40 applies.

41 SECTION 19. IC 27-6-8-11.5, AS ADDED BY P.L.52-2013,  
 42 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2024]: Sec. 11.5. (a) The association is not obligated to pay  
 2 a first party claim by a high net worth insured described in section  
 3 ~~4(5)(A)~~ **4(a)(5)(A)** of this chapter.

4 (b) The association has the right to recover from a high net worth  
 5 insured described in section ~~4(5)(B)~~ **4(a)(5)(B)** of this chapter all  
 6 amounts paid by the association to or on behalf of the high net worth  
 7 insured, regardless of whether the amounts were paid for indemnity,  
 8 defense, or otherwise.

9 (c) The association is not obligated to pay a claim that:

10 (1) would otherwise be a covered claim;

11 (2) is an obligation to or on behalf of a person who has a net  
 12 worth greater than the net worth allowed by the insurance  
 13 guaranty association law of the state of residence of the claimant  
 14 at the time specified by the applicable law of the state of  
 15 residence of the claimant; and

16 (3) has been denied by the association of the state of residence of  
 17 the claimant on the basis described in subdivision (2).

18 (d) The association shall establish reasonable procedures, subject to  
 19 the approval of the commissioner, for requesting financial information  
 20 from insureds:

21 (1) on a confidential basis; and

22 (2) in the application of this section.

23 (e) The procedures established under subsection (d) must provide  
 24 for sharing of the financial information obtained from insureds with:

25 (1) any other association that is similar to the association; and

26 (2) the liquidator for an insolvent insurer;

27 on the same confidential basis.

28 (f) If an insured refuses to provide financial information that is:

29 (1) requested under the procedures established under subsection  
 30 (d); and

31 (2) available;

32 the association may, until the time that the financial information is  
 33 provided to the association, consider the insured to be a high net worth  
 34 insured for purposes of subsections (a) and (b).

35 (g) In an action contesting the applicability of this section to an  
 36 insured that refuses to provide financial information under the  
 37 procedures established under subsection (d), the insured bears the  
 38 burden of proof concerning the insured's net worth at the relevant time.  
 39 If the insured fails to prove that the insured's net worth at the relevant  
 40 time was less than the applicable amount set forth in section ~~4(5)(A)~~ **or**  
 41 ~~4(5)(B)~~ **4(a)(5)(A) or 4(a)(5)(B)** of this chapter, the court shall award  
 42 to the association the association's full costs, expenses, and reasonable



1 attorney's fees incurred in contesting the claim.

2 SECTION 20. IC 27-8-11-7, AS AMENDED BY P.L.190-2023,  
3 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2024]: Sec. 7. (a) This section applies to an insurer that issues  
5 or administers a policy that provides coverage for basic health care  
6 services (as defined in IC 27-13-1-4).

7 (b) As used in this section, "clean credentialing application" means  
8 an application for network participation that:

- 9 (1) is submitted by a provider under this section;  
10 (2) does not contain an error; and  
11 (3) may be processed by the insurer without returning the  
12 application to the provider for a revision or clarification.

13 (c) As used in this section, "credentialing" means a process by  
14 which an insurer makes a determination that:

- 15 (1) is based on criteria established by the insurer; and  
16 (2) concerns whether a provider is eligible to:  
17 (A) provide health services to an individual eligible for  
18 coverage; and  
19 (B) receive reimbursement for the health services;  
20 under an agreement that is entered into between the provider and  
21 the insurer.

22 (d) As used in this section, "unclean credentialing application"  
23 means an application for network participation that:

- 24 (1) is submitted by a provider under this section;  
25 (2) contains at least one (1) error; and  
26 (3) must be returned to the provider to correct the error.

27 (e) The department of insurance shall prescribe the credentialing  
28 application form used by the Council for Affordable Quality Healthcare  
29 (CAQH) in electronic or paper format, which must be used by:

- 30 (1) a provider who applies for credentialing by an insurer; and  
31 (2) an insurer that performs credentialing activities.

32 (f) An insurer shall notify a provider concerning a deficiency on a  
33 completed unclean credentialing application form submitted by the  
34 provider not later than five (5) business days after the entity receives  
35 the completed unclean credentialing application form. A notice  
36 described in this subsection must:

- 37 (1) provide a description of the deficiency; and  
38 (2) state the reason why the application was determined to be an  
39 unclean credentialing application.

40 (g) A provider shall respond to the notification required under  
41 subsection (f) not later than five (5) business days after receipt of the  
42 notice.



1 (h) An insurer shall notify a provider concerning the status of the  
2 provider's completed clean credentialing application when:

3 (1) the provider is provisionally credentialed; and

4 (2) the insurer makes a final credentialing determination  
5 concerning the provider.

6 (i) If the insurer fails to issue a credentialing determination within  
7 fifteen (15) **business** days after receiving a completed clean  
8 credentialing application form from a provider, the insurer shall  
9 provisionally credential the provider in accordance with the standards  
10 and guidelines governing provisional credentialing from the National  
11 Committee for Quality Assurance or its successor organization. The  
12 provisional credentialing license is valid until a determination is made  
13 on the credentialing application of the provider.

14 (j) Once an insurer fully credentials a provider that holds  
15 provisional credentialing and a network provider agreement has been  
16 executed, then reimbursement payments under the contract shall be  
17 paid retroactive to the date the provider was provisionally credentialed.  
18 The insurer shall reimburse the provider at the rates determined by the  
19 contract between the provider and the insurer.

20 (k) If an insurer does not fully credential a provider that is  
21 provisionally credentialed under subsection (i), the provisional  
22 credentialing is terminated on the date the insurer notifies the provider  
23 of the adverse credentialing determination. The insurer is not required  
24 to reimburse for services rendered while the provider was provisionally  
25 credentialed.

26 SECTION 21. IC 27-13-43-2, AS AMENDED BY P.L.190-2023,  
27 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
28 JULY 1, 2024]: Sec. 2. (a) As used in this section, "clean credentialing  
29 application" means an application for network participation that:

30 (1) is submitted by a provider under this section;

31 (2) does not contain an error; and

32 (3) may be processed by the health maintenance organization  
33 without returning the application to the provider for a revision or  
34 clarification.

35 (b) As used in this section, "credentialing" means a process by  
36 which a health maintenance organization makes a determination that:

37 (1) is based on criteria established by the health maintenance  
38 organization; and

39 (2) concerns whether a provider is eligible to:

40 (A) provide health services to an individual eligible for  
41 coverage; and

42 (B) receive reimbursement for the health services;





- 1 under an agreement that is entered into between the provider and  
 2 the health maintenance organization.
- 3 (c) As used in this section, "unclean credentialing application"  
 4 means an application for network participation that:  
 5 (1) is submitted by a provider under this section;  
 6 (2) contains at least one (1) error; and  
 7 (3) must be returned to the provider to correct the error.
- 8 (d) The department shall prescribe the credentialing application  
 9 form used by the Council for Affordable Quality Healthcare (CAQH)  
 10 in electronic or paper format. The form must be used by:  
 11 (1) a provider who applies for credentialing by a health  
 12 maintenance organization; and  
 13 (2) a health maintenance organization that performs credentialing  
 14 activities.
- 15 (e) A health maintenance organization shall notify a provider  
 16 concerning a deficiency on a completed unclean credentialing  
 17 application form submitted by the provider not later than five (5)  
 18 business days after the entity receives the completed unclean  
 19 credentialing application form. A notice described in this subsection  
 20 must:  
 21 (1) provide a description of the deficiency; and  
 22 (2) state the reason why the application was determined to be an  
 23 unclean credentialing application.
- 24 (f) A provider shall respond to the notification required under  
 25 subsection (e) not later than five (5) business days after receipt of the  
 26 notice.
- 27 (g) A health maintenance organization shall notify a provider  
 28 concerning the status of the provider's completed clean credentialing  
 29 application when:  
 30 (1) the provider is provisionally credentialed; and  
 31 (2) the health maintenance organization makes a final  
 32 credentialing determination concerning the provider.
- 33 (h) If the health maintenance organization fails to issue a  
 34 credentialing determination within fifteen (15) **business** days after  
 35 receiving a completed clean credentialing application form from a  
 36 provider, the health maintenance organization shall provisionally  
 37 credential the provider in accordance with the standards and guidelines  
 38 governing provisional credentialing from the National Committee for  
 39 Quality Assurance or its successor organization. The provisional  
 40 credentialing license is valid until a determination is made on the  
 41 credentialing application of the provider.
- 42 (i) Once a health maintenance organization fully credentials a



1 provider that holds provisional credentialing and a network provider  
 2 agreement has been executed, then reimbursement payments under the  
 3 contract shall be paid retroactive to the date the provider was  
 4 provisionally credentialed. The health maintenance organization shall  
 5 reimburse the provider at the rates determined by the contract between  
 6 the provider and the health maintenance organization.

7 (j) If a health maintenance organization does not fully credential a  
 8 provider that is provisionally credentialed under subsection (h), the  
 9 provisional credentialing is terminated on the date the health  
 10 maintenance organization notifies the provider of the adverse  
 11 credentialing determination. The health maintenance organization is  
 12 not required to reimburse for services rendered while the provider was  
 13 provisionally credentialed.

14 SECTION 22. [EFFECTIVE JULY 1, 2024] (a) **The definitions in**  
 15 **IC 27-2-29 apply to this SECTION.**

16 (b) **A Marketplace plan may request a temporary waiver in**  
 17 **writing from the department of insurance concerning compliance**  
 18 **with IC 27-1-49 and IC 27-1-50. The Marketplace plan must state**  
 19 **in the request the following:**

20 (1) **The reason why the Marketplace plan is unable to comply**  
 21 **with either or both of the following:**

22 (A) **IC 27-1-49.**

23 (B) **IC 27-1-50.**

24 (2) **Verification that the Marketplace plan will comply with**  
 25 **the statute or statutes for which the waiver is requested**  
 26 **beginning January 1, 2025.**

27 (c) **The department of insurance may approve a waiver**  
 28 **requested by a Marketplace plan under subsection (b) for a time**  
 29 **not to exceed December 31, 2024.**

30 (d) **This SECTION expires January 1, 2025.**



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, to which was referred House Bill 1332, 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:

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 24-15-1-1, AS ADDED BY P.L.94-2023, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026]: Sec. 1. (a) This article applies to a person that conducts business in Indiana or produces products or services that are targeted to residents of Indiana and that during a calendar year:

- (1) controls or processes personal data of at least one hundred thousand (100,000) consumers who are Indiana residents; or
- (2) controls or processes personal data of at least twenty-five thousand (25,000) consumers who are Indiana residents and derives more than fifty percent (50%) of gross revenue from the sale of personal data.

(b) This article does not apply to any of the following:

(1) Either of the following:

(A) The state, a state agency, or a body, authority, board, bureau, commission, district, or agency of any political subdivision of the state.

(B) A third party under contract with an entity described in clause (A), when acting on behalf of the entity. This clause does not exempt data held or created by third parties outside of the scope of the contract with the entity.

(2) Any financial institutions and affiliates, or data subject to Title V of the federal Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.).

(3) Any covered entity or business associate governed by the privacy, security, and breach notification rules issued by the United States Department of Health and Human Services (45 CFR Parts 160 and 164) pursuant to HIPAA.

(4) Any nonprofit organization.

(5) Any institution of higher education.

(6) Any public utility (as defined in IC 8-1-2-1(a)) or service company affiliated with a public utility (as defined in IC 8-1-2-1(a)). For purposes of this subdivision, "service company" means an associate company within a holding company system organized specifically for the purpose of providing goods or services to a public utility (as defined in IC 8-1-2-1(a)) in the



same holding company system.

**(7) Any organization exempt from taxation under Section 501(c)(4) of the Internal Revenue Code that is:**

- (A) established to detect or prevent insurance related crime or fraud; and**
- (B) subject to a memorandum of understanding with a statewide law enforcement agency."**

Delete pages 2 through 5.

Page 6, delete lines 1 through 39.

Page 22, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 11. IC 27-1-50-8 IS REPEALED [EFFECTIVE JULY 1, 2024]. Sec. 8: ~~An insurer shall pass through to a plan sponsor one hundred percent (100%) of all rebates concerning the dispensing or administration of prescription drugs to the covered individuals of the plan sponsor.~~

SECTION 12. IC 27-1-50-9, AS ADDED BY P.L.166-2023, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 9. **(a)** At the time of contracting, an insurer shall ~~provide offer to~~ plan sponsors the ~~option of~~ **following plans:**

**(1) A plan that applies one hundred percent (100%) of the rebates to reduce premiums for all covered individuals equally.**

**(2) A plan ~~calculating~~ that calculates** defined cost sharing for covered individuals of the plan sponsor at the point of sale based on a price that is reduced by ~~some~~ **or an amount equal to at least eighty-five percent (85%)** of all of the rebates received or estimated to be received by the insurer concerning the dispensing or administration of the prescription drug.

**(b) A plan sponsor may choose one (1) of the plans offered under subsection (a).**

SECTION 13. IC 27-1-50-10, AS ADDED BY P.L.166-2023, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 10. Nothing in this chapter prohibits an insurer from decreasing a covered individual's defined cost sharing by an amount greater than the amount required under section ~~8~~ **9** of this chapter.

SECTION 14. IC 27-1-50-11, AS ADDED BY P.L.166-2023, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 11. An insurer shall disclose the following information to a plan sponsor on at least an annual basis:

- (1) The approximate amount of rebates expected to be received by the insurer concerning the dispensing or administration of



prescription drugs to the covered individuals of the plan sponsor.

(2) An explanation that the plan sponsor may choose to:

(A) apply the rebates to reduce premiums for all covered individuals; or

(B) calculate defined cost sharing for a covered individual at the point of sale based on a price that is reduced by **an amount equal to at least eighty-five percent (85%) of all rebates received or estimated to be received by the insurer concerning the dispensing or administration of the covered individual's prescription drugs.**

(3) An explanation that, in the individual market, IC 27-1-49 requires that covered individual defined cost sharing be calculated at the point of sale based on a price that is reduced by at least eighty-five percent (85%) of the rebates concerning the dispensing or administration of the covered individual's prescription drugs."

Page 22, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 12. IC 27-2-28-1, AS ADDED BY P.L.226-2023, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 30, 2024]: Sec. 1. (a) This chapter applies to a personal automobile or homeowner's policy that is issued, delivered, amended, or renewed after June 30, ~~2024~~. **2025**.

(b) This chapter does not apply to notices required by the federal Fair Credit Reporting Act (15 U.S.C. 1681 et seq.)."

Page 34, after line 6, begin a new paragraph and insert:

"SECTION 16. IC 27-8-11-7, AS AMENDED BY P.L.190-2023, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 7. (a) This section applies to an insurer that issues or administers a policy that provides coverage for basic health care services (as defined in IC 27-13-1-4).

(b) As used in this section, "clean credentialing application" means an application for network participation that:

(1) is submitted by a provider under this section;

(2) does not contain an error; and

(3) may be processed by the insurer without returning the application to the provider for a revision or clarification.

(c) As used in this section, "credentialing" means a process by which an insurer makes a determination that:

(1) is based on criteria established by the insurer; and

(2) concerns whether a provider is eligible to:

(A) provide health services to an individual eligible for coverage; and



(B) receive reimbursement for the health services; under an agreement that is entered into between the provider and the insurer.

(d) As used in this section, "unclean credentialing application" means an application for network participation that:

- (1) is submitted by a provider under this section;
- (2) contains at least one (1) error; and
- (3) must be returned to the provider to correct the error.

(e) The department of insurance shall prescribe the credentialing application form used by the Council for Affordable Quality Healthcare (CAQH) in electronic or paper format, which must be used by:

- (1) a provider who applies for credentialing by an insurer; and
- (2) an insurer that performs credentialing activities.

(f) An insurer shall notify a provider concerning a deficiency on a completed unclean credentialing application form submitted by the provider not later than five (5) business days after the entity receives the completed unclean credentialing application form. A notice described in this subsection must:

- (1) provide a description of the deficiency; and
- (2) state the reason why the application was determined to be an unclean credentialing application.

(g) A provider shall respond to the notification required under subsection (f) not later than five (5) business days after receipt of the notice.

(h) An insurer shall notify a provider concerning the status of the provider's completed clean credentialing application when:

- (1) the provider is provisionally credentialed; and
- (2) the insurer makes a final credentialing determination concerning the provider.

(i) If the insurer fails to issue a credentialing determination within fifteen (15) **business** days after receiving a completed clean credentialing application form from a provider, the insurer shall provisionally credential the provider in accordance with the standards and guidelines governing provisional credentialing from the National Committee for Quality Assurance or its successor organization. The provisional credentialing license is valid until a determination is made on the credentialing application of the provider.

(j) Once an insurer fully credentials a provider that holds provisional credentialing and a network provider agreement has been executed, then reimbursement payments under the contract shall be paid retroactive to the date the provider was provisionally credentialed. The insurer shall reimburse the provider at the rates determined by the



contract between the provider and the insurer.

(k) If an insurer does not fully credential a provider that is provisionally credentialed under subsection (i), the provisional credentialing is terminated on the date the insurer notifies the provider of the adverse credentialing determination. The insurer is not required to reimburse for services rendered while the provider was provisionally credentialed.

SECTION 17. IC 27-13-43-2, AS AMENDED BY P.L.190-2023, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 2. (a) As used in this section, "clean credentialing application" means an application for network participation that:

- (1) is submitted by a provider under this section;
- (2) does not contain an error; and
- (3) may be processed by the health maintenance organization without returning the application to the provider for a revision or clarification.

(b) As used in this section, "credentialing" means a process by which a health maintenance organization makes a determination that:

- (1) is based on criteria established by the health maintenance organization; and
- (2) concerns whether a provider is eligible to:
  - (A) provide health services to an individual eligible for coverage; and
  - (B) receive reimbursement for the health services;
 

under an agreement that is entered into between the provider and the health maintenance organization.

(c) As used in this section, "unclean credentialing application" means an application for network participation that:

- (1) is submitted by a provider under this section;
- (2) contains at least one (1) error; and
- (3) must be returned to the provider to correct the error.

(d) The department shall prescribe the credentialing application form used by the Council for Affordable Quality Healthcare (CAQH) in electronic or paper format. The form must be used by:

- (1) a provider who applies for credentialing by a health maintenance organization; and
- (2) a health maintenance organization that performs credentialing activities.

(e) A health maintenance organization shall notify a provider concerning a deficiency on a completed unclean credentialing application form submitted by the provider not later than five (5) business days after the entity receives the completed unclean



credentialing application form. A notice described in this subsection must:

- (1) provide a description of the deficiency; and
- (2) state the reason why the application was determined to be an unclean credentialing application.

(f) A provider shall respond to the notification required under subsection (e) not later than five (5) business days after receipt of the notice.

(g) A health maintenance organization shall notify a provider concerning the status of the provider's completed clean credentialing application when:

- (1) the provider is provisionally credentialed; and
- (2) the health maintenance organization makes a final credentialing determination concerning the provider.

(h) If the health maintenance organization fails to issue a credentialing determination within fifteen (15) **business** days after receiving a completed clean credentialing application form from a provider, the health maintenance organization shall provisionally credential the provider in accordance with the standards and guidelines governing provisional credentialing from the National Committee for Quality Assurance or its successor organization. The provisional credentialing license is valid until a determination is made on the credentialing application of the provider.

(i) Once a health maintenance organization fully credentials a provider that holds provisional credentialing and a network provider agreement has been executed, then reimbursement payments under the contract shall be paid retroactive to the date the provider was provisionally credentialed. The health maintenance organization shall reimburse the provider at the rates determined by the contract between the provider and the health maintenance organization.

(j) If a health maintenance organization does not fully credential a provider that is provisionally credentialed under subsection (h), the provisional credentialing is terminated on the date the health maintenance organization notifies the provider of the adverse credentialing determination. The health maintenance organization is not required to reimburse for services rendered while the provider was provisionally credentialed."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1332 as introduced.)

**EH 1332—LS 6979/DI 55**





Committee Vote: yeas 13, nays 0.

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COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred House Bill No. 1332, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 25, begin a new paragraph and insert:

"SECTION 1. IC 27-1-15.7-4, AS AMENDED BY P.L.148-2017, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 4. (a) The commissioner shall approve and disapprove continuing education courses after considering recommendations made by the insurance producer education and continuing education ~~advisory council created~~ **commission established** under section ~~6~~ **6.5** of this chapter.

(b) The commissioner may not approve a course under this section if the course:

- (1) is designed to prepare an individual to receive an initial license under this chapter;
- (2) concerns only routine, basic office skills, including filing, keyboarding, and basic computer skills; or
- (3) may be completed by a licensee without supervision by an instructor, unless the course involves an examination process that is:

(A) completed and passed by the licensee as determined by the provider of the course; and

(B) approved by the commissioner.

(c) The commissioner shall approve a course under this section that is submitted for approval by an insurance trade association or professional insurance association if:

- (1) the objective of the course is to educate a manager or an owner of a business entity that is required to obtain an insurance producer license under IC 27-1-15.6-6(d);
- (2) the course teaches insurance producer management and is designed to result in improved efficiency in insurance producer operations, systems use, or key functions;

EH 1332—LS 6979/DI 55



- (3) the course is designed to benefit consumers; and
- (4) the course is not described in subsection (b).
- (d) Approval of a continuing education course under this section shall be for a period of not more than two (2) years.
- (e) A prospective provider of a continuing education course shall pay:

- (1) a fee of forty dollars (\$40) for each course submitted for approval of the commissioner under this section; or
- (2) an annual fee of five hundred dollars (\$500) not later than January 1 of a calendar year, which entitles the prospective provider to submit an unlimited number of courses for approval of the commissioner under this section during the calendar year.

The commissioner may waive all or a portion of the fee for a course submitted under a reciprocity agreement with another state for the approval or disapproval of continuing education courses. Fees collected under this subsection shall be deposited in the department of insurance fund established under IC 27-1-3-28.

(f) A prospective provider of a continuing education course may electronically deliver to the commissioner any supporting materials for the course.

(g) The commissioner shall adopt rules under IC 4-22-2 to establish procedures for approving continuing education courses.

SECTION 2. IC 27-1-15.7-5, AS AMENDED BY P.L.81-2012, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 5. (a) To qualify as a certified prelicensing course of study for purposes of IC 27-1-15.6-6, an insurance producer program of study must meet all of the following criteria:

- (1) Be conducted or developed by an:
  - (A) insurance trade association;
  - (B) accredited college or university;
  - (C) educational organization certified by the insurance producer education and continuing education ~~advisory council;~~ **commission;** or
  - (D) insurance company licensed to do business in Indiana.
- (2) Provide for self-study or instruction provided by an approved instructor in a structured setting, as follows:
  - (A) For life insurance producers, not less than twenty (20) hours of instruction in a structured setting or comparable self-study on:
    - (i) ethical practices in the marketing and selling of insurance;
    - (ii) requirements of the insurance laws and administrative



rules of Indiana; and

(iii) principles of life insurance.

(B) For health insurance producers, not less than twenty (20) hours of instruction in a structured setting or comparable self-study on:

(i) ethical practices in the marketing and selling of insurance;

(ii) requirements of the insurance laws and administrative rules of Indiana; and

(iii) principles of health insurance.

(C) For life and health insurance producers, not less than forty (40) hours of instruction in a structured setting or comparable self-study on:

(i) ethical practices in the marketing and selling of insurance;

(ii) requirements of the insurance laws and administrative rules of Indiana;

(iii) principles of life insurance; and

(iv) principles of health insurance.

(D) For property and casualty insurance producers, not less than forty (40) hours of instruction in a structured setting or comparable self-study on:

(i) ethical practices in the marketing and selling of insurance;

(ii) requirements of the insurance laws and administrative rules of Indiana;

(iii) principles of property insurance; and

(iv) principles of liability insurance.

(E) For personal lines producers, a minimum of twenty (20) hours of instruction in a structured setting or comparable self-study on:

(i) ethical practices in the marketing and selling of insurance;

(ii) requirements of the insurance laws and administrative rules of Indiana; and

(iii) principles of property and liability insurance applicable to coverages sold to individuals and families for primarily noncommercial purposes.

(F) For title insurance producers, not less than ten (10) hours of instruction in a structured setting or comparable self-study on:

(i) ethical practices in the marketing and selling of title



insurance;

(ii) requirements of the insurance laws and administrative rules of Indiana;

(iii) principles of title insurance, including underwriting and escrow issues; and

(iv) principles of the federal Real Estate Settlement Procedures Act (12 U.S.C. 2608).

(G) For annuity product producers, not less than four (4) hours of instruction in a structured setting or comparable self-study on:

(i) types and classifications of annuities;

(ii) identification of the parties to an annuity;

(iii) the manner in which fixed, variable, and indexed annuity contract provisions affect consumers;

(iv) income taxation of qualified and non-qualified annuities;

(v) primary uses of annuities; and

(vi) appropriate sales practices, replacement, and disclosure requirements.

(3) Instruction provided in a structured setting must be provided only by individuals who meet the qualifications established by the commissioner under subsection (b).

(b) The commissioner, after consulting with the insurance producer education and continuing education ~~advisory council~~, **commission**, shall adopt rules under IC 4-22-2 prescribing the criteria that a person must meet to render instruction in a certified prelicensing course of study.

(c) The commissioner shall adopt rules under IC 4-22-2 prescribing the subject matter that an insurance producer program of study must cover to qualify for certification as a certified prelicensing course of study under this section.

(d) The commissioner may make recommendations that the commissioner considers necessary for improvements in course materials.

(e) The commissioner shall designate a program of study that meets the requirements of this section as a certified prelicensing course of study for purposes of IC 27-1-15.6-6.

(f) For each person that provides one (1) or more certified prelicensing courses of study, the commissioner shall annually determine, of all individuals who received classroom instruction in the certified prelicensing courses of study provided by the person, the percentage who passed the examination required by IC 27-1-15.6-5.



The commissioner shall determine only one (1) passing percentage under this subsection for all lines of insurance described in IC 27-1-15.6-7(a) for which the person provides classroom instruction in certified prelicensing courses of study.

(g) The commissioner may, after notice and opportunity for a hearing, do the following:

(1) Withdraw the certification of a course of study that does not maintain reasonable standards, as determined by the commissioner for the protection of the public.

(2) Disqualify a person that is currently qualified under subsection (b) to render instruction in a certified prelicensing course of study from rendering the instruction if the passing percentage calculated under subsection (f) is less than forty-five percent (45%).

(h) Current course materials for a prelicensing course of study that is certified under this section must be submitted to the commissioner upon request, but not less frequently than once every three (3) years.

SECTION 3. IC 27-1-15.7-6 IS REPEALED [EFFECTIVE JULY 1, 2024]. Sec. 6: (a) As used in this section, "council" refers to the insurance producer education and continuing education advisory council created under subsection (b):

(b) The insurance producer education and continuing education advisory council is created within the department. The council consists of the commissioner and fifteen (15) members appointed by the governor as follows:

(1) Two (2) members recommended by the Professional Insurance Agents of Indiana:

(2) Two (2) members recommended by the Independent Insurance Agents of Indiana:

(3) Two (2) members recommended by the Indiana Association of Insurance and Financial Advisors:

(4) Two (2) members recommended by the Indiana State Association of Health Underwriters:

(5) Two (2) representatives of direct writing or exclusive producer's insurance companies:

(6) One (1) representative of the Association of Life Insurance Companies:

(7) One (1) member recommended by the Insurance Institute of Indiana:

(8) One (1) member recommended by the Indiana Land Title Association:

(9) Two (2) other individuals:



(c) Members of the council serve for a term of three (3) years. Members may not serve more than two (2) consecutive terms.

(d) Before making appointments to the council, the governor must:

(1) solicit; and

(2) select appointees to the council from;

nominations made by organizations and associations that represent individuals and corporations selling insurance in Indiana.

(e) The council shall meet at least semiannually.

(f) A member of the council is entitled to the minimum salary per diem provided under IC 4-10-11-2.1(b). A member is also entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the state department of administration and approved by the state budget agency.

(g) The council shall review and make recommendations to the commissioner with respect to course materials, curriculum, and credentials of instructors of each precicensing course of study for which certification by the commissioner is sought under section 5 of this chapter and shall make recommendations to the commissioner with respect to educational requirements for insurance producers.

(h) A member of the council or designee of the commissioner shall be permitted access to any classroom while instruction is in progress to monitor the classroom instruction.

(i) The council shall make recommendations to the commissioner concerning the following:

(1) Continuing education courses for which the approval of the commissioner is sought under section 4 of this chapter.

(2) Rules proposed for adoption by the commissioner that would affect continuing education.

SECTION 4. IC 27-1-15.7-6.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: **Sec. 6.5. (a) As used in this section, "commission" refers to the insurance producer education and continuing education commission established by subsection (b).**

**(b) The insurance producer education and continuing education commission is established within the department. The commissioner shall appoint the following seven (7) individuals:**

**(1) One (1) individual nominated by the Professional Insurance Agents of Indiana or its successor organization.**

**(2) One (1) individual nominated by the Independent Insurance Agents of Indiana or its successor organization.**

**(3) One (1) individual nominated by the Indiana Association**



of Insurance and Financial Advisors or its successor organization.

(4) One (1) individual nominated by the Indiana State Association of Health Underwriters or its successor organization.

(5) One (1) individual nominated by the Association of Life Insurance Companies or its successor organization.

(6) One (1) individual nominated by the Insurance Institute of Indiana or its successor organization.

(7) One (1) individual nominated by the Indiana Land Title Association or its successor organization.

The commissioner shall solicit nominations from the entities set forth in this subsection. The commissioner may deny to make the appointment of an individual nominated under this subsection only if the commissioner determines that the individual is not in good standing with the department or is not qualified. If the commissioner denies the appointment of an individual nominated under this subsection, the commissioner shall provide the nominating entity with the reason for the denial and allow the nominating entity to submit an alternative nomination.

(c) A member of the commission serves for a term of three (3) years that expires June 30, 2027, and every third year thereafter. A member may not serve more than two (2) consecutive terms.

(d) The commissioner shall appoint a member of the commission to serve as chairperson, who serves at the will of the commissioner. The commission shall meet:

- (1) at the call of the chairperson; and
- (2) at least semiannually.

The department shall staff the commission. Four (4) members constitute a quorum of the commission.

(e) The commissioner shall fill a vacancy on the commission with a nomination from the entity that nominated the predecessor or the entity's succession. The individual appointed to fill the vacancy shall serve for the remainder of the predecessor's term.

(f) A member of the commission is entitled to the minimum salary per diem provided under IC 4-10-11-2.1(b). A member is also entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, in accordance with state travel policies and procedures established by the Indiana department of administration and approved by the budget agency. Money paid under this subsection shall be paid from amounts appropriated to the department.



**(g) The commission shall review and make recommendations to the commissioner concerning the following:**

- (1) Course materials and curriculum and instructor credentials for prelicensing courses of study for which certification by the commissioner is sought under section 5 of this chapter.**
- (2) Continuing education requirements for insurance producers.**
- (3) Continuing education courses for which the approval of the commissioner is sought under section 4 of this chapter.**
- (4) Rules proposed for adoption by the commissioner concerning continuing education under this chapter.**

**(h) A member of the commission or a designee of the commissioner is permitted access to any classroom while instruction is in progress to monitor the classroom instruction."**

Page 4, line 17, after "(j)" insert **"This subsection is effective beginning January 1, 2026."**

Page 5, line 18, after "(p)" insert **"This subsection is effective beginning January 1, 2026."**

Page 5, line 28, after "(q)" insert **"This subsection is effective beginning January 1, 2026."**

Page 8, line 37, delete "The" and insert **"Beginning January 1, 2026, the"**.

Page 10, line 4, delete "Group Capital Calculation." and insert **"This subsection is effective beginning January 1, 2026."**

Page 11, line 33, delete "Liquidity Stress Test." and insert **"This subsection is effective beginning January 1, 2026."**

Page 18, delete lines 7 through 11.

Page 18, line 15, after "provide" insert **"only"**.

Page 18, delete lines 27 through 32.

Page 34, after line 17, begin a new paragraph and insert:

**"SECTION 19. [EFFECTIVE JULY 1, 2024] (a) The definitions in IC 27-2-29 apply to this SECTION.**

**(b) A Marketplace plan may request a temporary waiver in writing from the department of insurance concerning compliance with IC 27-1-49 and IC 27-1-50. The Marketplace plan must state in the request the following:**

- (1) The reason why the Marketplace plan is unable to comply with either or both of the following:**
  - (A) IC 27-1-49.**
  - (B) IC 27-1-50.**
- (2) Verification that the Marketplace plan will comply with**





**the statute or statutes for which the waiver is requested beginning January 1, 2025.**

**(c) The department of insurance may approve a waiver requested by a Marketplace plan under subsection (b) for a time not to exceed December 31, 2024.**

**(d) This SECTION expires January 1, 2025."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1332 as printed January 25, 2024.)

CHARBONNEAU, Chairperson

Committee Vote: Yeas 11, Nays 0.

