

SENATE BILL No. 83

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-2-24.

Synopsis: Innocent coinsured. Prohibits certain actions by a property or casualty insurer with respect to an innocent coinsured, including denying payment on a claim for the cost of actual repair or replacement of property and refusing to issue or renew a policy.

Effective: July 1, 2016.

Crider

January 5, 2016, read first time and referred to Committee on Insurance & Financial Institutions.



Second Regular Session 119th General Assembly (2016)

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 2015 Regular Session of the General Assembly.

SENATE BILL No. 83

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 27-2-24 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2016]:

4 **Chapter 24. Coverage With Innocent Coinsured**

5 **Sec. 1. This chapter applies to a policy of property or casualty**
6 **insurance that is entered into, amended, or renewed after June 30,**
7 **2016.**

8 **Sec. 2. As used in this chapter, "innocent coinsured" means an**
9 **individual who:**

10 (1) **is insured under a policy of property or casualty**
11 **insurance;**

12 (2) **did not cooperate in or intentionally contribute to a**
13 **property loss that was caused or arranged by an individual**
14 **who is also insured under the policy of property or casualty**
15 **insurance;**

16 (3) **signs a sworn affidavit attesting that the individual did not**
17 **cooperate in or intentionally contribute to the property loss;**



1 **and**

2 **(4) cooperates in:**

3 **(A) the investigation and resolution of the claim for the**
 4 **property loss;**

5 **(B) any police investigation related to the property loss;**
 6 **and**

7 **(C) any criminal prosecution of the individual that caused**
 8 **or arranged the property loss.**

9 **Sec. 3. As used in this chapter, "insurer" means an insurance**
 10 **company that issues or delivers a policy of property or casualty**
 11 **insurance.**

12 **Sec. 4. As used in this chapter, "property or casualty insurance"**
 13 **means a type of insurance described in Class 2 and Class 3 of**
 14 **IC 27-1-5-1. However, the term does not mean insurance described**
 15 **in Class 2(a) of IC 27-1-5-1.**

16 **Sec. 5. (a) Except as provided in subsection (b), an insurer may**
 17 **not deny, exclude, or limit payment of a claim made:**

18 **(1) by an innocent coinsured;**

19 **(2) for coverage of a property loss; and**

20 **(3) under a policy of property or casualty insurance.**

21 **(b) This section does not require an insurer to make any**
 22 **payment on a claim described in subsection (a) that is:**

23 **(1) in excess of the limits of coverage under the policy of**
 24 **property or casualty insurance for repair or replacement of;**
 25 **or**

26 **(2) greater than the extent of the actual cost to repair or**
 27 **replace;**

28 **the property that is the subject of the claim.**

29 **Sec. 6. An insurer may not:**

30 **(1) refuse to renew;**

31 **(2) refuse to issue; or**

32 **(3) add a surcharge or rating factor to a premium for;**

33 **a policy of property or casualty insurance solely on the basis that**
 34 **an insured or a prospective insured under the policy of property or**
 35 **casualty insurance has been an innocent coinsured.**

