



April 10, 2015

ENGROSSED
SENATE BILL No. 307

DIGEST OF SB 307 (Updated April 7, 2015 4:43 pm - DI 123)

Citations Affected: IC 25-1; IC 27-1; IC 27-4.

Synopsis: Consumer protection. Amends the statute concerning the investigation and prosecution of complaints concerning regulated occupations to add to the permissible reasons for disclosure of information concerning a complaint a disclosure that is made to a law enforcement agency that has or is reasonably believed to have jurisdiction over a person or matter involved in the complaint. Adds a new provision to the statute concerning life insurance companies and policies to provide that a life insurance policy or certificate: (1) that is issued after June 30, 2015; (2) the proceeds of which may be designated for use in the purchase of funeral services or merchandise upon the death of the insured; and (3) the ownership of which is not irrevocably assigned to a trustee and used to fund a prepaid funeral services contract under the statute governing such contracts; may not
(Continued next page)

Effective: July 1, 2015.

**Bray, Glick, Broden, Merritt, Tomes,
Delph, Houchin, Randolph**
(HOUSE SPONSOR — STEUERWALD)

January 8, 2015, read first time and referred to Committee on Commerce & Technology.
January 20, 2015, amended, reported favorably — Do Pass.
January 22, 2015, read second time, ordered engrossed. Engrossed.
January 26, 2015, read third time, passed. Yeas 50, nays 0.

HOUSE ACTION

March 2, 2015, read first time and referred to Committee on Judiciary.
April 9, 2015, amended, reported — Do Pass.

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Digest Continued

be delivered or issued for delivery in Indiana unless the life insurance policy or certificate either contains or includes in an attached disclaimer certain provisions. Provides that an issuer of such a life insurance policy or certificate may not represent to any person that the life insurance policy or certificate is: (1) a contract for prepaid funeral services under the statute governing such contracts; or (2) a funeral policy or a policy with any similar designation. Provides that a person that willfully violates these provisions commits an unfair and deceptive act or practice in the business of insurance.

ES 307—LS 6695/DI 101



April 10, 2015

First Regular Session 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

ENGROSSED SENATE BILL No. 307

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

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

- 1 SECTION 1. IC 25-1-7-1, AS AMENDED BY P.L.3-2014,
2 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]: Sec. 1. The following terms are defined for this
4 chapter:
- 5 (1) "Board" means the appropriate entity described in IC 25-0.5-8.
 - 6 (2) "Director" refers to the director of the division of consumer
7 protection.
 - 8 (3) "Division" refers to the division of consumer protection, office
9 of the attorney general.
 - 10 **(4) "Law enforcement agency" has the meaning set forth in**
11 **IC 35-47-15-2.**
 - 12 ~~(4)~~ **(5) "Licensee" means a person who is:**
 - 13 (A) licensed, certified, or registered by an entity described in
 - 14 IC 25-0.5-8; and
 - 15 (B) the subject of a complaint filed with the division.
 - 16 ~~(5)~~ **(6) "Person" means an individual, a partnership, a limited**

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1 liability company, or a corporation.

2 ~~(6)~~ (7) "Regulated occupation" means an occupation in which a
 3 person is licensed, certified, or registered by one (1) of the entities
 4 described in IC 25-0.5-8.

5 SECTION 2. IC 25-1-7-5, AS AMENDED BY P.L.3-2014,
 6 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2015]: Sec. 5. (a) Subsection (b)(1) does not apply to:

8 (1) a complaint filed by:

9 (A) a member of any of the entities described in IC 25-0.5-8;

10 or

11 (B) the Indiana professional licensing agency; or

12 (2) a complaint filed under IC 25-1-5-4.

13 (b) Except as provided in section 3(b) **or** 3(c) of this chapter, the
 14 director has the following duties and powers:

15 (1) The director shall make an initial determination as to the merit
 16 of each complaint. A copy of a complaint having merit shall be
 17 submitted to the board having jurisdiction over the licensee's
 18 regulated occupation, that board thereby acquiring jurisdiction
 19 over the matter except as otherwise provided in this chapter.

20 (2) The director shall through any reasonable means notify the
 21 licensee of the nature and ramifications of the complaint and of
 22 the duty of the board to attempt to resolve the complaint through
 23 negotiation.

24 (3) The director shall report any pertinent information regarding
 25 the status of the complaint to the complainant.

26 (4) The director may investigate any written complaint against a
 27 licensee. The investigation shall be limited to those areas in which
 28 there appears to be a violation of statutes governing the regulated
 29 occupation.

30 (5) The director has the power to subpoena witnesses and to send
 31 for and compel the production of books, records, papers, and
 32 documents for the furtherance of any investigation under this
 33 chapter. The circuit or superior court located in the county where
 34 the subpoena is to be issued shall enforce any such subpoena by
 35 the director.

36 SECTION 3. IC 25-1-7-10, AS AMENDED BY P.L.226-2011,
 37 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2015]: Sec. 10. (a) Except as provided in section 3(b) **or** 3(c)
 39 of this chapter, all complaints and information pertaining to the
 40 complaints shall be held in strict confidence until the attorney general
 41 files notice with the board of the attorney general's intent to prosecute
 42 the licensee.



1 (b) A person in the employ of the office of attorney general or any
 2 of the boards, or any person not a party to the complaint, may not
 3 disclose or further a disclosure of information concerning the
 4 complaint unless the disclosure is: ~~required:~~

- 5 (1) **required** under law; ~~or~~
 6 (2) **required** for the advancement of an investigation; ~~or~~
 7 (3) **made to a law enforcement agency that has jurisdiction or**
 8 **is reasonably believed to have jurisdiction over a person or**
 9 **matter involved in the complaint.**

10 SECTION 4. IC 27-1-12-46 IS ADDED TO THE INDIANA CODE
 11 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 12 1, 2015]: **Sec. 46. (a) This section applies to a life insurance policy**
 13 **or certificate:**

- 14 (1) **that is issued after June 30, 2015;**
 15 (2) **the proceeds of which may be designated for use in the**
 16 **purchase of funeral services or merchandise upon the death**
 17 **of the insured; and**
 18 (3) **the ownership of which is not irrevocably assigned to a**
 19 **trustee and used to fund a contract under IC 30-2-13.**

20 (b) **An issuer of a life insurance policy or certificate described**
 21 **in subsection (a) may not represent to a policyholder or certificate**
 22 **holder, a prospective policyholder or certificate holder, an insured,**
 23 **a beneficiary, or any other person that the life insurance policy or**
 24 **certificate is:**

- 25 (1) **a contract for prepaid services or merchandise under**
 26 **IC 30-2-13; or**
 27 (2) **a funeral policy or a policy with any similar designation.**

28 (c) **A life insurance policy or certificate described in subsection**
 29 **(a) may not be delivered or issued for delivery in Indiana, or issued**
 30 **by a company organized under the laws of this state, unless the life**
 31 **insurance policy or certificate either contains or includes in an**
 32 **attached disclaimer the following provisions, or corresponding**
 33 **provisions that the department determines are at least as favorable**
 34 **to policyholders or certificate holders:**

- 35 (1) **A statement that the life insurance policy or certificate is**
 36 **not a contract for prepaid services or merchandise under**
 37 **IC 30-2-13.**
 38 (2) **A statement that the life insurance policy or certificate**
 39 **does not entitle the policyholder, the certificate holder, or any**
 40 **other person to:**

- 41 (A) **prepaid funeral services or merchandise, or any**
 42 **services or merchandise described in IC 30-2-13-8; or**



- 1 **(B) the right to file a complaint with the state board of**
 2 **funeral and cemetery service established by IC 25-15-9-1**
 3 **for restitution from the preneed consumer protection fund**
 4 **under IC 30-2-13-29;**
 5 **unless ownership of the policy is irrevocably assigned to a**
 6 **trustee to fund a contract entered into with a seller (as defined**
 7 **under IC 30-2-13-10) under IC 30-2-13.**
 8 **(3) A statement that:**
 9 **(A) the life insurance policy or certificate:**
 10 **(i) is not guaranteed to be exempt as a resource in**
 11 **determining eligibility for Medicaid under**
 12 **IC 12-15-2-17; and**
 13 **(ii) does not guarantee Medicaid eligibility; and**
 14 **(B) Medicaid eligibility determinations are made in**
 15 **accordance with applicable Medicaid laws and policies.**
 16 **(d) A person that willfully violates this section commits an**
 17 **unfair and deceptive act or practice in the business of insurance**
 18 **under IC 27-4-1-4 and is subject to the penalties and procedures set**
 19 **forth in IC 27-4-1.**
 20 SECTION 5. IC 27-4-1-4, AS AMENDED BY P.L.90-2014,
 21 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2015]: Sec. 4. (a) The following are hereby defined as unfair
 23 methods of competition and unfair and deceptive acts and practices in
 24 the business of insurance:
 25 (1) Making, issuing, circulating, or causing to be made, issued, or
 26 circulated, any estimate, illustration, circular, or statement:
 27 (A) misrepresenting the terms of any policy issued or to be
 28 issued or the benefits or advantages promised thereby or the
 29 dividends or share of the surplus to be received thereon;
 30 (B) making any false or misleading statement as to the
 31 dividends or share of surplus previously paid on similar
 32 policies;
 33 (C) making any misleading representation or any
 34 misrepresentation as to the financial condition of any insurer,
 35 or as to the legal reserve system upon which any life insurer
 36 operates;
 37 (D) using any name or title of any policy or class of policies
 38 misrepresenting the true nature thereof; or
 39 (E) making any misrepresentation to any policyholder insured
 40 in any company for the purpose of inducing or tending to
 41 induce such policyholder to lapse, forfeit, or surrender the
 42 policyholder's insurance.



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



- 1 (A) Unfair discrimination between individuals of the same
2 class and equal expectation of life in the rates or assessments
3 charged for any contract of life insurance or of life annuity or
4 in the dividends or other benefits payable thereon, or in any
5 other of the terms and conditions of such contract. However,
6 in determining the class, consideration may be given to the
7 nature of the risk, plan of insurance, the actual or expected
8 expense of conducting the business, or any other relevant
9 factor.
- 10 (B) Unfair discrimination between individuals of the same
11 class involving essentially the same hazards in the amount of
12 premium, policy fees, assessments, or rates charged or made
13 for any policy or contract of accident or health insurance or in
14 the benefits payable thereunder, or in any of the terms or
15 conditions of such contract, or in any other manner whatever.
16 However, in determining the class, consideration may be given
17 to the nature of the risk, the plan of insurance, the actual or
18 expected expense of conducting the business, or any other
19 relevant factor.
- 20 (C) Excessive or inadequate charges for premiums, policy
21 fees, assessments, or rates, or making or permitting any unfair
22 discrimination between persons of the same class involving
23 essentially the same hazards, in the amount of premiums,
24 policy fees, assessments, or rates charged or made for:
- 25 (i) policies or contracts of reinsurance or joint reinsurance,
26 or abstract and title insurance;
 - 27 (ii) policies or contracts of insurance against loss or damage
28 to aircraft, or against liability arising out of the ownership,
29 maintenance, or use of any aircraft, or of vessels or craft,
30 their cargoes, marine builders' risks, marine protection and
31 indemnity, or other risks commonly insured under marine,
32 as distinguished from inland marine, insurance; or
 - 33 (iii) policies or contracts of any other kind or kinds of
34 insurance whatsoever.
- 35 However, nothing contained in clause (C) shall be construed to
36 apply to any of the kinds of insurance referred to in clauses (A)
37 and (B) nor to reinsurance in relation to such kinds of insurance.
38 Nothing in clause (A), (B), or (C) shall be construed as making or
39 permitting any excessive, inadequate, or unfairly discriminatory
40 charge or rate or any charge or rate determined by the department
41 or commissioner to meet the requirements of any other insurance
42 rate regulatory law of this state.



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

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

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

32 (C) Readjustment of the rate of premium for a group insurance
33 policy based on the loss or expense experience thereunder, at
34 the end of the first year or of any subsequent year of insurance
35 thereunder, which may be made retroactive only for such
36 policy year.

37 (D) Paying by an insurer or insurance producer thereof duly
38 licensed as such under the laws of this state of money,
39 commission, or brokerage, or giving or allowing by an insurer
40 or such licensed insurance producer thereof anything of value,
41 for or on account of the solicitation or negotiation of policies
42 or other contracts of any kind or kinds, to a broker, an



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



1 an inducement to the purchase of any property, real, personal, or
 2 mixed, or services of any kind, where a charge to the insured is
 3 not made for and on account of such policy or certificate of
 4 insurance. However, this subdivision shall not apply to any of the
 5 following:

6 (A) Insurance issued to credit unions or members of credit
 7 unions in connection with the purchase of shares in such credit
 8 unions.

9 (B) Insurance employed as a means of guaranteeing the
 10 performance of goods and designed to benefit the purchasers
 11 or users of such goods.

12 (C) Title insurance.

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

16 (E) Insurance provided by or through motorists service clubs
 17 or associations.

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

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

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

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

27 (iv) insures against a flight cancellation to which the ticket
 28 relates.

29 (14) Refusing, because of the for-profit status of a hospital or
 30 medical facility, to make payments otherwise required to be made
 31 under a contract or policy of insurance for charges incurred by an
 32 insured in such a for-profit hospital or other for-profit medical
 33 facility licensed by the state department of health.

34 (15) Refusing to insure an individual, refusing to continue to issue
 35 insurance to an individual, limiting the amount, extent, or kind of
 36 coverage available to an individual, or charging an individual a
 37 different rate for the same coverage, solely because of that
 38 individual's blindness or partial blindness, except where the
 39 refusal, limitation, or rate differential is based on sound actuarial
 40 principles or is related to actual or reasonably anticipated
 41 experience.

42 (16) Committing or performing, with such frequency as to



- 1 indicate a general practice, unfair claim settlement practices (as
2 defined in section 4.5 of this chapter).
- 3 (17) Between policy renewal dates, unilaterally canceling an
4 individual's coverage under an individual or group health
5 insurance policy solely because of the individual's medical or
6 physical condition.
- 7 (18) Using a policy form or rider that would permit a cancellation
8 of coverage as described in subdivision (17).
- 9 (19) Violating IC 27-1-22-25, IC 27-1-22-26, or IC 27-1-22-26.1
10 concerning motor vehicle insurance rates.
- 11 (20) Violating IC 27-8-21-2 concerning advertisements referring
12 to interest rate guarantees.
- 13 (21) Violating IC 27-8-24.3 concerning insurance and health plan
14 coverage for victims of abuse.
- 15 (22) Violating IC 27-8-26 concerning genetic screening or testing.
- 16 (23) Violating IC 27-1-15.6-3(b) concerning licensure of
17 insurance producers.
- 18 (24) Violating IC 27-1-38 concerning depository institutions.
- 19 (25) Violating IC 27-8-28-17(c) or IC 27-13-10-8(c) concerning
20 the resolution of an appealed grievance decision.
- 21 (26) Violating IC 27-8-5-2.5(e) through IC 27-8-5-2.5(j) (expired
22 July 1, 2007, and removed) or IC 27-8-5-19.2 (expired July 1,
23 2007, and repealed).
- 24 (27) Violating IC 27-2-21 concerning use of credit information.
- 25 (28) Violating IC 27-4-9-3 concerning recommendations to
26 consumers.
- 27 (29) Engaging in dishonest or predatory insurance practices in
28 marketing or sales of insurance to members of the United States
29 Armed Forces as:
- 30 (A) described in the federal Military Personnel Financial
31 Services Protection Act, P.L.109-290; or
- 32 (B) defined in rules adopted under subsection (b).
- 33 (30) Violating IC 27-8-19.8-20.1 concerning stranger originated
34 life insurance.
- 35 (31) Violating IC 27-2-22 concerning retained asset accounts.
- 36 (32) Violating IC 27-8-5-29 concerning health plans offered
37 through a health benefit exchange (as defined in IC 27-19-2-8).
- 38 (33) Violating a requirement of the federal Patient Protection and
39 Affordable Care Act (P.L. 111-148), as amended by the federal
40 Health Care and Education Reconciliation Act of 2010 (P.L.
41 111-152), that is enforceable by the state.
- 42 (34) After June 30, 2015, violating IC 27-2-23 concerning



1 unclaimed life insurance, annuity, or retained asset account
2 benefits.

3 **(35) Willfully violating IC 27-1-12-46 concerning a life**
4 **insurance policy or certificate described in IC 27-1-12-46(a).**

5 (b) Except with respect to federal insurance programs under
6 Subchapter III of Chapter 19 of Title 38 of the United States Code, the
7 commissioner may, consistent with the federal Military Personnel
8 Financial Services Protection Act (P.L.109-290), adopt rules under
9 IC 4-22-2 to:

- 10 (1) define; and
11 (2) while the members are on a United States military installation
12 or elsewhere in Indiana, protect members of the United States
13 Armed Forces from;
14 dishonest or predatory insurance practices.



COMMITTEE REPORT

Madam President: The Senate Committee on Commerce and Technology, to which was referred Senate Bill No. 307, 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 9, after line 32, begin a new paragraph and insert:

"SECTION 15. IC 30-2-13-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 4. As used in this chapter, "contract" means **either of the following**:

- (1) A written agreement between a purchaser and a seller that:
 - (+) (A) obligates the seller to provide prepaid services or merchandise, or both, for a named individual; and
 - (-) (B) becomes irrevocable thirty (30) days after the written agreement is signed by the purchaser and seller.
- (2) **An agreement that:**
 - (A) **is entered into after June 30, 2015; and**
 - (B) **provides for the issuance of a life insurance policy under both of the following circumstances:**
 - (i) **The death benefit of the life insurance policy is or may be designated for use in the purchase of services or merchandise.**
 - (ii) **The life insurance policy is intended to be an exempt resource for Medicaid qualification purposes.**

SECTION 16. IC 30-2-13-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 10. (a) As used in this chapter, "seller" means a person doing business as a sole proprietor, a firm, a limited liability company, a corporation, an association, or a partnership contracting to provide services or merchandise, or both, to a named individual.

(b) The term includes the issuer of a contract described in section 4(2) of this chapter.

SECTION 17. IC 30-2-13-12.5, AS AMENDED BY P.L.61-2008, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 12.5. (a) This section applies to the following contracts entered into or established under this chapter after June 30, 1999:

- (1) Contracts for prepaid services.
- (2) Contracts for prepaid merchandise.
- (3) Trusts or escrows established to hold consideration paid for services or merchandise subject to a contract entered into under this chapter.

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(4) Contracts described in section 4(2) of this chapter.

(b) A contract between a purchaser and a seller must:

(1) specify that the consideration for the contract is:

(A) cash, payable either in a lump sum or in installments; or

(B) an insurance policy that is:

(i) newly issued in conjunction with and integral to the contract;

(ii) issued previously in a transaction separate and distinct from the contract; or

(iii) both.

If a contract is funded with an insurance policy, the ownership of the policy must be irrevocably assigned to a trustee, and the seller may not borrow against, pledge, withdraw, or impair the cash value of the policy;

(2) specify that only the purchaser, acting by written notice to the seller, may revoke the contract within thirty (30) days after the date the contract is signed by the purchaser and the seller and that the contract becomes irrevocable upon the expiration of the thirty (30) day period;

(3) specify that, if the contract is revoked, the seller shall refund and return to the purchaser, without interest, the cash or insurance policy used to fund the contract;

(4) specify that not more than thirty (30) days after the contract is signed by the purchaser and the seller, the whole of the cash or insurance policy serving as consideration for the contract must be deposited into a trust or escrow authorized by subsection (c) or (d). However, a seller may elect to serve as trustee of a previously existing life insurance contract;

(5) except as provided in subsection (f), unconditionally require that the seller shall deliver all services or merchandise, or both, specified in the contract and receive as consideration for the delivery of services or merchandise, or both, only the cash or insurance policy held in trust or escrow without regard to the solvency of the insurer or the adequacy or loss in value of any cash deposit or insurance policy used to fund a contract;

(6) except as provided in subsection (f), prohibit a seller from imposing additional charges to recover any shortage or difference between the retail prices for services or merchandise, or both, in effect on the date of delivery of the services or merchandise, or both, and the value of the trust or escrow applicable to the contract on the date of delivery;

(7) require that a seller accepting the transfer of a contract



permitted under section 13 of this chapter shall honor the requirements and obligations of the contract;

(8) permit the seller to assess a finance charge on a contract sold on an installment basis and require that the seller disclose to the purchaser the applicable requirements of federal and Indiana law;

(9) provide that the contract must comply with the following requirements:

(A) The contract must be made in a form that is:

- (i) written in clear and understandable language; and
- (ii) printed in a size and style of type that is easy to read.

(B) The contract must describe the services, merchandise, or cash advance items being purchased. If the merchandise or cash advance items include a vault (as defined in IC 23-14-33-33) that:

- (i) will be used to encase the remains of a deceased individual; and
- (ii) is not airtight and watertight;

the contract must include a written statement indicating that the vault is not airtight and watertight.

(C) The contract must identify the following by name, address, and telephone number:

- (i) The seller.
- (ii) The purchaser.
- (iii) The contract beneficiary if the beneficiary is an individual other than the purchaser.

(D) The contract must contain the seller's certificate of authority number and the date of the contract.

(E) The contract must provide that if an item of the particular services or merchandise specified in the contract is unavailable at the time of delivery, the seller shall deliver services or merchandise similar in style, quality, and of equal value to the unavailable item in the place of the item.

(F) The contract must disclose the precise manner in which the contract is to be funded by:

- (i) identifying the consideration for the contract;
- (ii) identifying the name, number, if known, and issuer of any insurance policy used to fund the contract; and
- (iii) including the identity and location of the trustee or escrow agent, acting as fiduciary, who is to hold the trust or escrow.

(G) The contract must disclose that the seller reserves the right to assess an extra charge for:



- (i) transportation costs;
 - (ii) services or merchandise incurred in the transport of human remains a distance greater than twenty-five (25) miles from the seller's place of business; and
 - (iii) service charges necessarily incident to the transport of human remains and in excess of those service charges specified in the contract.
- (H) The contract must disclose the following:
- (i) The amount, if any, the seller has elected to receive under subsection (c)(1) or subsection (d)(6).
 - (ii) That a commission or fee may be paid to the seller or the seller's agent on a contract funded under subsection (b)(1)(B)(i).
- (10) specify that a purchaser has the unrestricted right to designate one (1) or more successor sellers to whom the contract may be transferred under section 13 of this chapter, but that such a transfer is effective only with the consent of the newly designated seller and upon the fulfillment of the other requirements of section 13 of this chapter;
- (11) specify that if cash advance items are funded in the contract, the seller agrees to deliver the cash advance items under one (1) of the following alternatives:
- (A) Delivery is unconditionally guaranteed at the option of the seller.
 - (B) Delivery is conditionally guaranteed for a seller and will be equal in value to the total value of the trust or escrow account maintained for the purchaser multiplied by the percentage of the total original contract price represented by cash advance items;
- (12) specify that a release from trust or escrow shall occur only upon the seller's delivery of services or merchandise, or both;
- (13) permit, at the option of the seller, the incorporation of the trust or escrow language contained in subsection (c) or (d) directly into the contract;
- (14) prohibit the seller from charging any service, transaction, or other type of fee or charge unless the fee is:
- (A) authorized under subsections (c)(1) and (d)(6) and section 27 of this chapter; or
 - (B) included within the definitions contained in section 8 or 11.5 of this chapter.
- (c) A trust account authorized and established under this chapter must do all of the following:

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- (1) Be irrevocable and require either of the following:
 - (A) The seller deposit the insurance policy used to fund the contract into the trust account. However, for contracts funded after June 30, 1995, with a previously issued insurance policy, the seller may serve instead of a trustee if the seller is qualified to do so under section 11(c) of this chapter.
 - (B) The seller deposit the cash used to fund the contract into the trust account. However, as consideration for the sale of the contract and any expense incurred by the seller in conjunction with the sale of the contract, the contract must permit the seller to notify, within a ten (10) day period following the date the contract becomes irrevocable, the trustee of its election to receive only up to ten percent (10%) of the seller's original contract price for services or merchandise, or both.
- (2) Designate the seller as the beneficiary of the trust.
- (3) Designate a trustee qualified under this chapter and authorize the trustee to assess the charges authorized under section 18 of this chapter.
- (4) Require that a separate account be maintained in the name of each purchaser.
- (5) Require that any interest, dividend, or accumulation in the account be reinvested and added to the principal.
- (6) Permit the assets of the several, separate accounts to be commingled for investment purposes.
- (7) Require that on receipt of the seller's proof of delivery of services or merchandise the trustee shall remit to the seller the full amount in trust applicable to the purchaser's contract and all of the accumulated interest.
- (8) Permit the seller to retain the remaining amount if the amount in the trust account is greater than the seller's total current retail price of all services and merchandise subject to the contract at the time of delivery of all services or merchandise subject to the contract. However, in the case of a contract funded under subsection (b)(1)(B)(ii), the seller may not retain the remaining amount but must pay the remaining amount to the entity or individual designated by the insured as the beneficiary of the death benefit proceeds not later than sixty (60) days after the receipt and deposit of the proceeds by the seller. The seller may not qualify as a beneficiary of the remaining amount or the insurance death benefit. In the case of all other contracts funded under this chapter, the seller may opt to return the remaining amount to the individual designated by the purchaser to receive



the remainder or to the purchaser's estate.

(d) An escrow account authorized and established under this chapter must do all of the following:

(1) Be irrevocable and require that the seller deposit all cash or the insurance policy used to fund the contract into the escrow account.

(2) Designate the seller as the recipient of the escrow funds.

(3) Designate an escrow agent, acting as fiduciary, qualified under this chapter to act as escrow agent acting as fiduciary and authorize the escrow agent acting as fiduciary to assess the charges authorized under section 18 of this chapter.

(4) Require that the escrow account be maintained in the name of the seller and serve as a depository for all cash or insurance policies used to fund contracts sold by the seller.

(5) Permit the investment of and commingling of cash for investment purposes.

(6) Permit the seller to receive an administrative or service fee at the option of the seller. The seller may opt to receive the fee after the day following the date the contract becomes irrevocable. The amount of the fee may not exceed ten percent (10%) of the seller's total contract price for services or merchandise or both.

(7) Require that on delivery of services or merchandise, the escrow agent shall remit to the seller an amount equal to:

(A) the seller's original retail price as set forth in the contract for the services or merchandise delivered; minus

(B) the amount, if any, received by the seller under subdivision (6).

(8) Permit the seller to receive monthly payments of the interest earned and the appreciation in the value of the escrow assets to the extent that the total value of the escrow after a payment authorized under this subdivision is not less than:

(A) the original contract value of all services or merchandise under the contracts, or parts of the contracts that remain undelivered; minus

(B) the amounts, if any, received by the seller under subdivision (6).

(e) A trust account or an escrow account established under this section must contain a concise written description of all the provisions of this chapter that apply to the account.

(f) A seller's guarantee of delivery of all services or merchandise subject to a contract sold by the seller or transferred to a seller is unconditional except in the instance of one (1) of the following



circumstances:

- (1) An installment contract funded with cash or an insurance policy issued in conjunction with the contract is guaranteed to the extent of the cash paid or death benefits available at the time of death of the individual for whom services or merchandise are to be provided.
- (2) A contract funded with an insurance policy issued previously and not in conjunction with the contract is guaranteed to the extent of the death benefit proceeds available at the time of the individual for whom services or merchandise are to be provided.
- (3) A contract funded with an insurance policy issued in conjunction with the contract, but having a limited or qualified death benefit period, is guaranteed to the extent of the death benefit proceeds available at the time of the death of the individual for whom services or merchandise are to be provided.
- (4) A transportation expense incurred by the seller while transporting human remains a distance greater than twenty-five (25) miles from the seller's place of business, plus any charge for services or merchandise necessarily incident to the transport of the human remains.
- (5) The seller agrees to conditionally guarantee the delivery of cash advance items under subsection (b)(11)(B).

In the instance of unguaranteed delivery, the seller may reduce the value or number of the services or merchandise subject to the contract or cash advance items delivered or deliver the services or merchandise in full on the condition that the seller receives adequate consideration to compensate the seller for the unguaranteed part of the contract.

(g) The entire value of an escrow or trust established under this chapter may not be considered as a resource in determining a person's eligibility for Medicaid under IC 12-15-2-17.

(h) This chapter does not prohibit a purchaser from immediately making the trust or escrow required under this chapter irrevocable and assigning ownership of an insurance policy used to fund a contract to obtain favorable consideration for Medicaid, Supplemental Security Income, or another public assistance program under federal or state law.

(i) A seller may not accept or deposit into a trust or escrow account cash, an insurance policy, or any other property as consideration for



services or merchandise to be provided in the future except in conjunction with a contract authorized by this chapter."

and when so amended that said bill do pass.

(Reference is to SB 307 as introduced.)

BUCK, Chairperson

Committee Vote: Yeas 10, Nays 0.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred Senate Bill 307, 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 16.

Delete pages 2 through 7.

Page 8, delete lines 1 through 7.

Page 9, delete lines 33 through 42, begin a new paragraph and insert:

"SECTION 15. IC 27-1-12-46 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 46. (a) This section applies to a life insurance policy or certificate:**

(1) that is issued after June 30, 2015;

(2) the proceeds of which may be designated for use in the purchase of funeral services or merchandise upon the death of the insured; and

(3) the ownership of which is not irrevocably assigned to a trustee and used to fund a contract under IC 30-2-13.

(b) An issuer of a life insurance policy or certificate described in subsection (a) may not represent to a policyholder or certificate holder, a prospective policyholder or certificate holder, an insured, a beneficiary, or any other person that the life insurance policy or certificate is:

(1) a contract for prepaid services or merchandise under IC 30-2-13; or

(2) a funeral policy or a policy with any similar designation.

(c) A life insurance policy or certificate described in subsection (a) may not be delivered or issued for delivery in Indiana, or issued by a company organized under the laws of this state, unless the life



insurance policy or certificate either contains or includes in an attached disclaimer the following provisions, or corresponding provisions that the department determines are at least as favorable to policyholders or certificate holders:

(1) A statement that the life insurance policy or certificate is not a contract for prepaid services or merchandise under IC 30-2-13.

(2) A statement that the life insurance policy or certificate does not entitle the policyholder, the certificate holder, or any other person to:

(A) prepaid funeral services or merchandise, or any services or merchandise described in IC 30-2-13-8; or

(B) the right to file a complaint with the state board of funeral and cemetery service established by IC 25-15-9-1 for restitution from the preneed consumer protection fund under IC 30-2-13-29;

unless ownership of the policy is irrevocably assigned to a trustee to fund a contract entered into with a seller (as defined under IC 30-2-13-10) under IC 30-2-13.

(3) A statement that:

(A) the life insurance policy or certificate:

(i) is not guaranteed to be exempt as a resource in determining eligibility for Medicaid under IC 12-15-2-17; and

(ii) does not guarantee Medicaid eligibility; and

(B) Medicaid eligibility determinations are made in accordance with applicable Medicaid laws and policies.

(d) A person that willfully violates this section commits an unfair and deceptive act or practice in the business of insurance under IC 27-4-1-4 and is subject to the penalties and procedures set forth in IC 27-4-1.

SECTION 16. IC 27-4-1-4, AS AMENDED BY P.L.90-2014, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 4. (a) The following are hereby defined as unfair methods of competition and unfair and deceptive acts and practices in the business of insurance:

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

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

(B) making any false or misleading statement as to the



dividends or share of surplus previously paid on similar policies;

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

(D) using any name or title of any policy or class of policies misrepresenting the true nature thereof; or

(E) making any misrepresentation to any policyholder insured in any company for the purpose of inducing or tending to induce such policyholder to lapse, forfeit, or surrender the policyholder's insurance.

(2) Making, publishing, disseminating, circulating, or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio or television station, or in any other way, an advertisement, announcement, or statement containing any assertion, representation, or statement with respect to any person in the conduct of the person's insurance business, which is untrue, deceptive, or misleading.

(3) Making, publishing, disseminating, or circulating, directly or indirectly, or aiding, abetting, or encouraging the making, publishing, disseminating, or circulating of any oral or written statement or any pamphlet, circular, article, or literature which is false, or maliciously critical of or derogatory to the financial condition of an insurer, and which is calculated to injure any person engaged in the business of insurance.

(4) Entering into any agreement to commit, or individually or by a concerted action committing any act of boycott, coercion, or intimidation resulting or tending to result in unreasonable restraint of, or a monopoly in, the business of insurance.

(5) Filing with any supervisory or other public official, or making, publishing, disseminating, circulating, or delivering to any person, or placing before the public, or causing directly or indirectly, to be made, published, disseminated, circulated, delivered to any person, or placed before the public, any false statement of financial condition of an insurer with intent to deceive. Making any false entry in any book, report, or statement of any insurer with intent to deceive any agent or examiner lawfully appointed to examine into its condition or into any of its affairs, or any



public official to which such insurer is required by law to report, or which has authority by law to examine into its condition or into any of its affairs, or, with like intent, willfully omitting to make a true entry of any material fact pertaining to the business of such insurer in any book, report, or statement of such insurer.

(6) Issuing or delivering or permitting agents, officers, or employees to issue or deliver, agency company stock or other capital stock, or benefit certificates or shares in any common law corporation, or securities or any special or advisory board contracts or other contracts of any kind promising returns and profits as an inducement to insurance.

(7) Making or permitting any of the following:

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

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

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

- (i) policies or contracts of reinsurance or joint reinsurance, or abstract and title insurance;
- (ii) policies or contracts of insurance against loss or damage to aircraft, or against liability arising out of the ownership, maintenance, or use of any aircraft, or of vessels or craft, their cargoes, marine builders' risks, marine protection and



indemnity, or other risks commonly insured under marine, as distinguished from inland marine, insurance; or
 (iii) policies or contracts of any other kind or kinds of insurance whatsoever.

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

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

- (A) Paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from nonparticipating insurance, so long as any such bonuses or abatement of premiums are fair and equitable to policyholders and for the best interests of the company and its policyholders.
- (B) In the case of life insurance policies issued on the industrial debit plan, making allowance to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer in an amount



which fairly represents the saving in collection expense.

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

(D) Paying by an insurer or insurance producer thereof duly licensed as such under the laws of this state of money, commission, or brokerage, or giving or allowing by an insurer or such licensed insurance producer thereof anything of value, for or on account of the solicitation or negotiation of policies or other contracts of any kind or kinds, to a broker, an insurance producer, or a solicitor duly licensed under the laws of this state, but such broker, insurance producer, or solicitor receiving such consideration shall not pay, give, or allow credit for such consideration as received in whole or in part, directly or indirectly, to the insured by way of rebate.

(9) Requiring, as a condition precedent to loaning money upon the security of a mortgage upon real property, that the owner of the property to whom the money is to be loaned negotiate any policy of insurance covering such real property through a particular insurance producer or broker or brokers. However, this subdivision shall not prevent the exercise by any lender of the lender's right to approve or disapprove of the insurance company selected by the borrower to underwrite the insurance.

(10) Entering into any contract, combination in the form of a trust or otherwise, or conspiracy in restraint of commerce in the business of insurance.

(11) Monopolizing or attempting to monopolize or combining or conspiring with any other person or persons to monopolize any part of commerce in the business of insurance. However, participation as a member, director, or officer in the activities of any nonprofit organization of insurance producers or other workers in the insurance business shall not be interpreted, in itself, to constitute a combination in restraint of trade or as combining to create a monopoly as provided in this subdivision and subdivision (10). The enumeration in this chapter of specific unfair methods of competition and unfair or deceptive acts and practices in the business of insurance is not exclusive or restrictive or intended to limit the powers of the commissioner or department or of any court of review under section 8 of this chapter.



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

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

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

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

(C) Title insurance.

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

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

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

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

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

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

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

(14) Refusing, because of the for-profit status of a hospital or medical facility, to make payments otherwise required to be made



under a contract or policy of insurance for charges incurred by an insured in such a for-profit hospital or other for-profit medical facility licensed by the state department of health.

(15) Refusing to insure an individual, refusing to continue to issue insurance to an individual, limiting the amount, extent, or kind of coverage available to an individual, or charging an individual a different rate for the same coverage, solely because of that individual's blindness or partial blindness, except where the refusal, limitation, or rate differential is based on sound actuarial principles or is related to actual or reasonably anticipated experience.

(16) Committing or performing, with such frequency as to indicate a general practice, unfair claim settlement practices (as defined in section 4.5 of this chapter).

(17) Between policy renewal dates, unilaterally canceling an individual's coverage under an individual or group health insurance policy solely because of the individual's medical or physical condition.

(18) Using a policy form or rider that would permit a cancellation of coverage as described in subdivision (17).

(19) Violating IC 27-1-22-25, IC 27-1-22-26, or IC 27-1-22-26.1 concerning motor vehicle insurance rates.

(20) Violating IC 27-8-21-2 concerning advertisements referring to interest rate guarantees.

(21) Violating IC 27-8-24.3 concerning insurance and health plan coverage for victims of abuse.

(22) Violating IC 27-8-26 concerning genetic screening or testing.

(23) Violating IC 27-1-15.6-3(b) concerning licensure of insurance producers.

(24) Violating IC 27-1-38 concerning depository institutions.

(25) Violating IC 27-8-28-17(c) or IC 27-13-10-8(c) concerning the resolution of an appealed grievance decision.

(26) Violating IC 27-8-5-2.5(e) through IC 27-8-5-2.5(j) (expired July 1, 2007, and removed) or IC 27-8-5-19.2 (expired July 1, 2007, and repealed).

(27) Violating IC 27-2-21 concerning use of credit information.

(28) Violating IC 27-4-9-3 concerning recommendations to consumers.

(29) Engaging in dishonest or predatory insurance practices in marketing or sales of insurance to members of the United States Armed Forces as:

(A) described in the federal Military Personnel Financial



Services Protection Act, P.L.109-290; or

(B) defined in rules adopted under subsection (b).

(30) Violating IC 27-8-19.8-20.1 concerning stranger originated life insurance.

(31) Violating IC 27-2-22 concerning retained asset accounts.

(32) Violating IC 27-8-5-29 concerning health plans offered through a health benefit exchange (as defined in IC 27-19-2-8).

(33) Violating a requirement of the federal Patient Protection and Affordable Care Act (P.L. 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (P.L. 111-152), that is enforceable by the state.

(34) After June 30, 2015, violating IC 27-2-23 concerning unclaimed life insurance, annuity, or retained asset account benefits.

(35) Willfully violating IC 27-1-12-46 concerning a life insurance policy or certificate described in IC 27-1-12-46(a).

(b) Except with respect to federal insurance programs under Subchapter III of Chapter 19 of Title 38 of the United States Code, the commissioner may, consistent with the federal Military Personnel Financial Services Protection Act (P.L.109-290), adopt rules under IC 4-22-2 to:

(1) define; and

(2) while the members are on a United States military installation or elsewhere in Indiana, protect members of the United States Armed Forces from;

dishonest or predatory insurance practices."

Delete pages 10 through 16.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 307 as printed January 21, 2015.)

STEUERWALD

Committee Vote: yeas 7, nays 3.

