

SENATE BILL No. 362

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-1; IC 34-13-3-8.

Synopsis: Risk management and catastrophic liability funds. Permits the commissioner of the department of insurance to cease operation of the political subdivision risk management fund and the political subdivision catastrophic liability fund upon a determination by the commissioner that: (1) all members have withdrawn from the fund; and (2) all payment of liabilities of former members of the fund have been determined and finalized. Removes a requirement that notice of a claim against a political subdivision be provided to the political subdivision risk management commission.

Effective: July 1, 2022.

Charbonneau, Pol Jr.

January 11, 2022, read first time and referred to Committee on Insurance and Financial Institutions.



Second Regular Session of the 122nd General Assembly (2022)

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 2021 Regular Session of the General Assembly.

SENATE BILL No. 362

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 27-1-29-28 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 28. (a) As used in this
3 section, "fund" means the political subdivision risk management fund
4 established by section 10 of this chapter.
5 ~~(b) Notwithstanding any other provision of this chapter, the~~
6 ~~commissioner:~~
7 ~~(1) with the approval of the insurance commissioner; and~~
8 ~~(2) upon a determination by the commissioner that:~~
9 ~~(A) membership in the fund is declining; and~~
10 ~~(B) financial conditions warrant the action;~~
11 is authorized to take action under subsection (c).
12 **(b) Upon a determination by the commissioner that:**
13 **(1) all members have withdrawn from the fund; and**
14 **(2) all payments of liabilities of former members of the fund**
15 **have been determined and finalized;**
16 **the commissioner is authorized to take action under subsection (c).**
17 (c) Under the circumstances set forth in subsection (b), the



1 ~~commission may~~ **commissioner shall** do the following with respect to
2 the fund:

3 (1) Prevent any political subdivision that is not already a member
4 of the fund from becoming a member.

5 (2) Decline to renew the membership of the political subdivisions
6 that are members of the fund.

7 (3) ~~When the membership of the last member has expired;~~ Cease
8 the operation of the fund. ~~except for:~~

9 (A) the payment of liabilities of former members of the fund;
10 and

11 (B) the collection of assessments from former members of the
12 fund, if any are due;

13 in accordance with this chapter and rules adopted by the
14 commission.

15 (4) ~~Allow or cause a partial reduction or complete depletion of the~~
16 ~~balance of the fund through:~~

17 (A) the payment of liabilities of former members of the fund;
18 and

19 (B) at the discretion of the commission; and with the approval
20 of the commissioner; the pro rata return to former members of
21 assessments paid by former members of the fund;

22 in accordance with this chapter and rules adopted by the
23 commission.

24 (4) **Make a pro rata return based on the proportion of**
25 **contributions made or assessments paid by former members**
26 **of the fund, regardless of when a withdrawal from the fund**
27 **occurred.**

28 (d) After any or all of the actions authorized by subsection (c); the
29 commission; with the approval of the insurance commissioner; may
30 resume using the fund to pay the liabilities of members of the fund
31 under this chapter.

32 SECTION 2. IC 27-1-29-29 IS ADDED TO THE INDIANA CODE
33 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
34 1, 2022]: **Sec. 29. This chapter expires on the earlier of:**

35 (1) **July 1, 2027; or**

36 (2) **the date on which the actions specified in section 28 of this**
37 **chapter are completed.**

38 SECTION 3. IC 27-1-29.1-23 IS ADDED TO THE INDIANA
39 CODE AS A NEW SECTION TO READ AS FOLLOWS
40 [EFFECTIVE JULY 1, 2022]: **Sec. 23. (a) Upon a determination by**
41 **the commissioner that:**

42 (1) **all members have withdrawn from the fund; and**



1 **(2) all payments of liabilities of former members of the fund**
 2 **have been determined and finalized;**

3 **the commissioner is authorized to take action under subsection (b).**

4 **(b) Under the circumstances set forth in subsection (a), the**
 5 **commissioner shall do the following with respect to the fund:**

6 **(1) Prevent any political subdivision that is not already a**
 7 **member of the fund from becoming a member.**

8 **(2) Decline to renew the membership of the political**
 9 **subdivisions that are members of the fund.**

10 **(3) Cease operation of the fund.**

11 **(4) Make a pro rata return based on the proportion of**
 12 **contributions made or assessments paid by former members**
 13 **of the fund, regardless of when a withdrawal from the fund**
 14 **occurred.**

15 SECTION 4. IC 27-1-29.1-24 IS ADDED TO THE INDIANA
 16 CODE AS A NEW SECTION TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2022]: **Sec. 24. This chapter expires on the**
 18 **earlier of:**

19 **(1) July 1, 2027; or**

20 **(2) the date on which the actions specified in section 23 of this**
 21 **chapter are completed.**

22 SECTION 5. IC 34-13-3-8 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 8. ~~(a)~~ Except as
 24 provided in section 9 of this chapter, a claim against a political
 25 subdivision is barred unless notice is filed with

26 ~~(1) the governing body of that political subdivision and~~

27 ~~(2) the Indiana political subdivision risk management commission~~
 28 ~~created under IC 27-1-29;~~

29 within one hundred eighty (180) days after the loss occurs.

30 ~~(b) A claim against a political subdivision is not barred for failure~~
 31 ~~to file notice with the Indiana political subdivision risk management~~
 32 ~~commission created under IC 27-1-29-5 if the political subdivision was~~
 33 ~~not a member of the political subdivision risk management fund~~
 34 ~~established under IC 27-1-29-10 at the time the act or omission took~~
 35 ~~place.~~

