



February 9, 2021

# HOUSE BILL No. 1405

DIGEST OF HB 1405 (Updated February 8, 2021 9:16 pm - DI 55)

**Citations Affected:** IC 12-15; IC 16-39; IC 27-1; IC 27-4; IC 27-7.

**Synopsis:** Insurance matters. Establishes the long term care insurance partnership program and requires the office of the secretary of family and social services to apply before December 31, 2021, for a Medicaid state plan amendment to effectuate the program. Provides that after June 30, 2022, an individual will be able to participate in either the long term care insurance partnership program or the state's current long term care insurance program. Requires a provider to provide the health records requested by a patient within 30 days after the date the written request is made, and allows the state department of health to impose a fine against a provider for not complying with this requirement. Provides that if a resident insurance producer completed more than 24 hours of credit in continuing education courses before the effective date of the producer's last license renewal, not more than 12 of the excess hours of credit for those continuing education courses may apply toward satisfaction of the continuing education requirement for the producer's next license renewal, subject to certain restrictions. Provides that a merchant or other seller that acts as an agent for purposes of the sale of an auto service contract is not a person contractually obligated under the service contract by virtue of acting as the seller. Provides, as an exception to the general prohibition against rebates, that: (1) an insurer, an employee of an insurer, or a producer may offer and give gifts of limited value in connection with marketing of insurance and may conduct a drawing for prizes of limited value; (2) an insurer,  
(Continued next page)

**Effective:** July 1, 2021.

## Carbaugh

January 14, 2021, read first time and referred to Committee on Financial Institutions and Insurance.  
February 9, 2021, amended, reported — Do Pass.

HB 1405—LS 7238/DI 137



## Digest Continued

through its employees, affiliates, insurance producers, or third-party representatives, may provide, for free or at a discount, products or services that relate to or are provided in conjunction with a policy and are exclusively intended to educate about, assess, monitor, control, or prevent risk of loss; (3) a person holding an insurance license may offer or provide, for free or for less than fair market value, services that are at least tangentially related to an insurance contract but are not contingent upon the purchase of insurance, subject to conditions. Amends the law requiring an insurer to provide 10 days' advance notice to the insurance producer who procured an automobile policy when the insurer intends to cancel or not to renew the policy to make the law applicable only if the insurance producer who procured the policy was an independent insurance producer. Amends code sections requiring an insurer to "deliver" or "provide" certain notices within a certain time period to make those sections provide instead that the insurer is required to "mail" the notices. Provides that if a party procures a policy of insurance through an online platform: (1) the party affirmatively consents to have all notices and other documents related to the policy delivered to the party electronically; and (2) other statutory prerequisites to the electronic delivery of notices do not apply.

**HB 1405—LS 7238/DI 137**



February 9, 2021

First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

## HOUSE BILL No. 1405

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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 12-15-1.3-22 IS ADDED TO THE INDIANA  
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2021]: **Sec. 22. (a) Before December 31, 2021,**  
4 **the office must apply to the United States Department of Health**  
5 **and Human Services for a state plan amendment that establishes**  
6 **the long term care partnership program as described in**  
7 **IC 12-15-39.8.**

8 **(b) If the office receives approval for the state plan amendment**  
9 **applied for under this section, the office shall comply with**  
10 **IC 12-15-39.8.**

11 SECTION 2. IC 12-15-39.6-0.5 IS ADDED TO THE INDIANA  
12 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
13 [EFFECTIVE JULY 1, 2021]: **Sec. 0.5. Notwithstanding**  
14 **IC 12-15-39.8, the asset disregard under section 10 of this chapter**  
15 **applies to any qualified long term care policy to which this chapter**  
16 **applies.**

17 SECTION 3. IC 12-15-39.6-7 IS AMENDED TO READ AS

HB 1405—LS 7238/DI 137



1 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 7. (a) The department  
 2 of insurance or the agency with which the department of insurance has  
 3 contracted under section 6(b) of this chapter shall make available to  
 4 any individual interested in participating in ~~the Indiana~~ a long term  
 5 care program information concerning the following:

6 (1) The Indiana long term care program **established under this**  
 7 **chapter.**

8 (2) **The Indiana long term care insurance partnership**  
 9 **program established under IC 12-15-39.8.**

10 ~~(2)~~ (3) Long term care insurance policies, **including:**

11 (A) **qualified long term care policies that meet the**  
 12 **definition set forth in section 5 of this chapter; and**

13 (B) **qualified long term care insurance policies that meet**  
 14 **the definition set forth in IC 12-15-39.8-3.**

15 ~~(3)~~ (4) Medicare supplement insurance policies.

16 ~~(4)~~ (5) Parts A and B of the Medicare program (42 U.S.C. 1395  
 17 et seq.).

18 ~~(5)~~ (6) Health maintenance organizations under IC 27-13 that are  
 19 contracted with the Medicare program.

20 ~~(6)~~ (7) The Medicaid program.

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

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

29 (1) **the Indiana long term care program established under this**  
 30 **chapter; or**

31 (2) **the Indiana long term care insurance partnership program**  
 32 **established under IC 12-15-39.8.**

33 SECTION 5. IC 12-15-39.8 IS ADDED TO THE INDIANA CODE  
 34 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 35 JULY 1, 2021]:

36 **Chapter 39.8. Long Term Care Insurance Partnership Program**

37 **Sec. 1. This chapter applies to qualified long term care**  
 38 **insurance policies that are entered into, issued, or renewed after**  
 39 **June 30, 2022.**

40 **Sec. 2. As used in this chapter, "program" means the Indiana**  
 41 **long term care insurance partnership program established by**  
 42 **section 4(a) of this chapter.**



1           **Sec. 3.** As used in this chapter, "qualified long term care  
 2 insurance policy" means an insurance policy that meets the  
 3 following requirements:

4           (1) The policy covers an individual who was a resident of the  
 5 state when the coverage first became effective under the  
 6 policy.

7           (2) The policy was not issued before the effective date of the  
 8 state plan amendment applied for under IC 12-15-1.3-22.

9           (3) The policy meets the definition of a qualified long term  
 10 care insurance contract under 26 U.S.C. 7702B.

11           (4) The policy meets the model regulations and requirements  
 12 of the model act of the National Association of Insurance  
 13 Commissioners provided in 42 U.S.C. 1396p(b)(5).

14           (5) The policy includes inflation protection as follows:

15           (A) If the policy is sold to an individual who was less than  
 16 sixty-one (61) years of age as of the date of purchase, the  
 17 policy must provide compound inflation protection.

18           (B) If the policy is sold to an individual who was at least  
 19 sixty-one (61) years of age but less than seventy-six (76)  
 20 years of age as of the date of purchase, the policy must  
 21 provide some level of inflation protection.

22           (C) If the policy is sold to an individual who is at least  
 23 seventy-six (76) years of age, the policy may, but is not  
 24 required to, provide some level of inflation protection.

25           (6) The department of insurance certifies that the policy meets  
 26 the requirements of subdivisions (3), (4), and (5).

27           **Sec. 4.** (a) The Indiana long term care insurance partnership  
 28 program is established.

29           (b) The office of Medicaid policy and planning and the  
 30 department of insurance shall administer the program in  
 31 accordance with Section 6021 of the federal Deficit Reduction Act  
 32 of 2005.

33           **Sec. 5.** Under the program, the office of Medicaid policy and  
 34 planning must exclude and disregard an amount equal to the  
 35 amount of benefits an individual receives under a qualified long  
 36 term care insurance policy when determining the following:

37           (1) The individual's resources for purposes of determining  
 38 eligibility for Medicaid under IC 12-15-3.

39           (2) The amount to be recovered from the individual's estate  
 40 under IC 12-15-9 if the individual is eligible for Medicaid.

41           **Sec. 6.** (a) The department of insurance shall develop a training  
 42 program for insurance producers who sell qualified long term care



1 insurance policies that includes a certified prelicensing course and  
 2 continuing education courses. The courses must cover, at a  
 3 minimum, the following topics:

4 (1) State and federal regulations and requirements and the  
 5 relationship between qualified long term care insurance  
 6 policies and other public and private coverage of long term  
 7 care services, including Medicaid.

8 (2) Available long term care services and providers.

9 (3) Changes or improvements in long term care services or  
 10 providers.

11 (4) Alternatives to the purchase of private long term care  
 12 insurance.

13 (5) The effect of inflation on benefits and the importance of  
 14 inflation protection.

15 (6) Consumer suitability standards and guidelines.

16 (b) An insurance producer must:

17 (1) complete the certified prelicensing course established  
 18 under subsection (a) before the insurance producer may sell,  
 19 solicit, or negotiate a qualified long term care insurance  
 20 policy; and

21 (2) attend a continuing education course established under  
 22 subsection (a) at least once every twenty-four (24) months to  
 23 continue to sell, solicit, or negotiate a qualified long term care  
 24 insurance policy.

25 Sec. 7. An insurer that issues a qualified long term care  
 26 insurance policy shall provide regular reports to:

27 (1) the Secretary of the United States Department of Health  
 28 and Human Services, as required by federal regulations; and

29 (2) the office of Medicaid policy and planning and the  
 30 department of insurance, as required by those entities.

31 Sec. 8. The secretary of family and social services and the  
 32 department of insurance may adopt rules under IC 4-22-2  
 33 necessary to implement this chapter.

34 SECTION 6. IC 16-39-1-1, AS AMENDED BY P.L.157-2006,  
 35 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36 JULY 1, 2021]: Sec. 1. (a) This section applies to all health records  
 37 except mental health records, which are governed by IC 16-39-2,  
 38 IC 16-39-3, and IC 16-39-4.

39 (b) This article applies to all health records, except:

40 (1) records regarding communicable diseases, which are governed  
 41 by IC 16-41-8-1; or

42 (2) records regarding alcohol and other drug abuse patient



1 records, which are governed by 42 CFR, Part 2.

2 (c) On written request and reasonable notice, a provider shall supply  
3 to a patient the health records possessed by the provider concerning the  
4 patient. Subject to 15 U.S.C. 7601 et seq. and 16 CFR Part 315,  
5 information regarding contact lenses must be given using the following  
6 guidelines:

7 (1) After the release of a patient from an initial fitting and  
8 follow-up period of not more than six (6) months, the contact lens  
9 prescription must be released to the patient at the patient's  
10 request.

11 (2) A prescription released under subdivision (1) must contain all  
12 information required to properly duplicate the contact lenses.

13 (3) A contact lens prescription must include the following:

14 (A) An expiration date of one (1) year.

15 (B) The number of refills permitted.

16 (4) Instructions for use must be consistent with:

17 (A) recommendations of the contact lens manufacturer;

18 (B) clinical practice guidelines; and

19 (C) the professional judgment of the prescribing optometrist  
20 or physician licensed under IC 25-22.5.

21 After the release of a contact lens prescription under this subsection,  
22 liability for future fittings or dispensing of contact lenses under the  
23 original prescription lies with the dispensing company or practitioner.

24 (d) On a patient's written request and reasonable notice, a provider  
25 shall furnish to the patient or the patient's designee the following:

26 (1) A copy of the patient's health record used in assessing the  
27 patient's health condition.

28 (2) At the option of the patient, the pertinent part of the patient's  
29 health record relating to a specific condition, as requested by the  
30 patient.

31 (e) **Subject to section 5 of this chapter, a request made provider**  
32 **shall provide the health records requested** under this section ~~is valid~~  
33 ~~for sixty (60)~~ **within thirty (30) days** after the date the **written** request  
34 is made.

35 (f) **In addition to any action taken under IC 16-19-3-18, the state**  
36 **department may impose a fine against a provider not to exceed five**  
37 **thousand dollars (\$5,000) for not complying with the requirements**  
38 **of this section.**

39 SECTION 7. IC 27-1-15.7-2, AS AMENDED BY P.L.148-2017,  
40 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
41 JULY 1, 2021]: Sec. 2. (a) Except as provided in subsection (b), to  
42 renew a license issued under IC 27-1-15.6, a resident insurance



1 producer must complete at least twenty-four (24) hours of credit in  
 2 continuing education courses, not more than four (4) hours of which  
 3 may be in courses concerning one (1) or a combination of the  
 4 following:

- 5 (1) Sales promotion.
- 6 (2) Sales technique.
- 7 (3) Motivation.
- 8 (4) Psychology.
- 9 (5) Time management.

10 If the insurance producer has a qualification described in  
 11 IC 27-1-15.6-7(a)(1), IC 27-1-15.6-7(a)(2), or IC 27-1-15.6-7(a)(5), for  
 12 a license renewal that occurs after June 30, 2014, at least three (3) of  
 13 the hours of credit required by this subsection must be related to ethical  
 14 practices in the marketing and sale of life, health, or annuity insurance  
 15 products. An attorney in good standing who is admitted to the practice  
 16 of law in Indiana and holds a license issued under IC 27-1-15.6 may  
 17 complete all or any number of hours of continuing education required  
 18 by this subsection by completing an equivalent number of hours in  
 19 continuing legal education courses that are related to the business of  
 20 insurance.

21 (b) Except as provided in subsection (c), to renew a license issued  
 22 under IC 27-1-15.6, a limited lines producer with a title qualification  
 23 under IC 27-1-15.6-7(a)(8) must complete at least seven (7) hours of  
 24 credit in continuing education courses related to the business of title  
 25 insurance with at least one (1) hour of instruction in a structured setting  
 26 or comparable self-study in each of the following:

- 27 (1) Ethical practices in the marketing and selling of title  
 28 insurance.
- 29 (2) Title insurance underwriting.
- 30 (3) Escrow issues.
- 31 (4) Principles of the federal Real Estate Settlement Procedures  
 32 Act (12 U.S.C. 2608).

33 An attorney in good standing who is admitted to the practice of law in  
 34 Indiana and holds a license issued under IC 27-1-15.6 with a title  
 35 qualification under IC 27-1-15.6-7(a)(8) may complete all or any  
 36 number of hours of continuing education required by this subsection by  
 37 completing an equivalent number of hours in continuing legal  
 38 education courses related to the business of title insurance or any  
 39 aspect of real property law.

40 (c) The following insurance producers are not required to complete  
 41 continuing education courses to renew a license under this chapter:

- 42 (1) A limited lines producer who is licensed without examination





- 1 under IC 27-1-15.6-18(1).
- 2 (2) A limited line credit insurance producer.
- 3 (3) A nonresident limited lines producer with a title qualification:
- 4 (A) whose home state requires continuing education for a title
- 5 qualification; and
- 6 (B) who has met the continuing education requirements
- 7 described in clause (A).
- 8 (d) **Except as provided in section 2.2 of this chapter**, to satisfy the
- 9 requirements of subsection (a) or (b), a licensee may use only those
- 10 credit hours earned in continuing education courses completed by the
- 11 licensee:
- 12 (1) after the effective date of the licensee's last renewal of a
- 13 license under this chapter; or
- 14 (2) if the licensee is renewing a license for the first time, after the
- 15 date on which the licensee was issued the license under this
- 16 chapter.
- 17 (e) If an insurance producer receives qualification for a license in
- 18 more than one (1) line of authority under IC 27-1-15.6, the insurance
- 19 producer may not be required to complete a total of more than
- 20 twenty-four (24) hours of credit in continuing education courses to
- 21 renew the license.
- 22 (f) Except as provided in subsection (g), a licensee may receive
- 23 credit only for completing the following continuing education courses:
- 24 (1) Continuing education courses that have been approved by the
- 25 commissioner under section 4 of this chapter.
- 26 (2) Continuing education courses that are required for the licensee
- 27 under IC 27-19-4-14.
- 28 (g) A licensee who teaches a course approved by the commissioner
- 29 under section 4 of this chapter shall receive continuing education credit
- 30 for teaching the course.
- 31 (h) When a licensee renews a license issued under this chapter, the
- 32 licensee must submit:
- 33 (1) a continuing education statement that:
- 34 (A) is in a format authorized by the commissioner;
- 35 (B) is signed by the licensee under oath; and
- 36 (C) lists the continuing education courses completed by the
- 37 licensee to satisfy the continuing education requirements of
- 38 this section; and
- 39 (2) any other information required by the commissioner.
- 40 (i) A continuing education statement submitted under subsection (h)
- 41 may be reviewed and audited by the department.
- 42 (j) A licensee shall retain a copy of the original certificate of



1 completion received by the licensee for completion of a continuing  
2 education course.

3 (k) A licensee who completes a continuing education course that:

- 4 (1) is approved by the commissioner under section 4 of this  
5 chapter;  
6 (2) is held in a classroom setting; and  
7 (3) concerns ethics;

8 shall receive continuing education credit not to exceed four (4) hours  
9 in a renewal period.

10 SECTION 8. IC 27-1-15.7-2.2 IS ADDED TO THE INDIANA  
11 CODE AS A NEW SECTION TO READ AS FOLLOWS  
12 [EFFECTIVE JULY 1, 2021]: **Sec. 2.2. (a) This section applies to the  
13 renewal of a license under this chapter after December 31, 2021.**

14 **(b) If a resident insurance producer completed more than  
15 twenty-four (24) hours of credit in continuing education courses  
16 before the effective date of the producer's last renewal under this  
17 chapter of a license issued under IC 27-1-15.6, the producer,  
18 instead of completing twenty-four (24) hours of credit in continuing  
19 education courses after the effective date of the producer's last  
20 license renewal as otherwise required under section 2(d) of this  
21 chapter, may satisfy the continuing education requirement of  
22 section 2 of this chapter for the producer's next license renewal  
23 through a combination of:**

- 24 **(1) credit for continuing education courses completed by the  
25 producer before the effective date of the producer's last  
26 license renewal; and  
27 (2) credit for continuing education courses completed by the  
28 producer after the effective date of the producer's last license  
29 renewal.**

30 **(c) To apply toward satisfaction of the continuing education  
31 requirement for a producer's next license renewal under  
32 subsection (b)(1), credit for a continuing education course  
33 completed by the producer before the effective date of the  
34 producer's last license renewal must not have applied toward  
35 satisfaction of the continuing education requirement for the  
36 producer's last license renewal.**

37 **(d) A producer satisfies the continuing education requirement  
38 of section 2 of this chapter under subsection (b) for the producer's  
39 next license renewal if the sum of:**

- 40 **(1) the credit hours applied toward the requirement under  
41 subsection (b)(1); plus  
42 (2) the credit hours applied toward the requirement under**



1 subsection (b)(2);  
2 is twenty-four (24).

3 (e) Not more than twelve (12) hours of credit in continuing  
4 education courses completed by a producer before the effective  
5 date of the producer's last license renewal may be applied toward  
6 satisfying the continuing education requirement of section 2 of this  
7 chapter for the producer's next license renewal under subsection  
8 (b)(1).

9 (f) The credit for a producer's completion of a continuing  
10 education course may not be applied toward satisfying the  
11 continuing education requirement of section 2 of this chapter  
12 under subsection (b)(1) unless the producer completed the  
13 continuing education course not more than one hundred twenty  
14 (120) days before the effective date of the producer's last license  
15 renewal.

16 (g) Credit for a producer's completion of a continuing education  
17 course on the subject of:

- 18 (1) ethics; or  
19 (2) long term care insurance;

20 before the effective date of the producer's last license renewal may  
21 not be applied toward satisfying the continuing education  
22 requirement of section 2 of this chapter for the producer's next  
23 license renewal under subsection (b)(1).

24 (h) The credit for a producer's completion of a continuing  
25 education course, whether applied toward the continuing education  
26 requirement of section 2 of this chapter under subsection (b)(1),  
27 subsection (b)(2), or section 2(d) of this chapter, may be applied  
28 toward the requirement only once.

29 (i) The commissioner shall adopt rules under IC 4-22-2 to  
30 implement this section.

31 SECTION 9. IC 27-1-20-30 IS AMENDED TO READ AS  
32 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 30. (a) **This section  
33 does not prohibit activities allowed under IC 27-1-47.**

34 (a) (b) No company acting through its officers or members,  
35 attorney-in-fact, or by any other party, no officer of a company acting  
36 on the officer's own behalf and no insurance producer, broker, or  
37 solicitor, personally or by any other party, shall offer, promise, allow,  
38 give, set off or pay, directly or indirectly, any rebate of or part of the  
39 premium payable on a policy, or any insurance producer's commission  
40 thereon, or earnings, profits, dividends or other benefits founded,  
41 arising, accruing, or to accrue thereon or therefrom, or any special  
42 advantage in date of policy or age of issue, or any paid employment or



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

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

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

27 (b) No insurer, broker, or insurance producer shall knowingly  
 28 charge, demand, or receive a premium for any policy of insurance  
 29 except in accordance with the provisions of this chapter. No insurer or  
 30 employee thereof, and no broker or insurance producer shall pay, allow,  
 31 or give, directly or indirectly, as an inducement to insurance, or after  
 32 insurance has been effected, any rebate, discount, abatement, credit, or  
 33 reduction of the premium named in a policy of insurance, or any  
 34 special favor or advantage in the dividends or other benefits to accrue  
 35 thereon, or any valuable consideration or inducement whatever, not  
 36 specified in the policy of insurance, except to the extent provided for  
 37 in applicable filings. No insured named in any policy of insurance shall  
 38 knowingly receive or accept, directly or indirectly, any such rebate,  
 39 discount, abatement, credit or reduction of premium, or any such  
 40 special favor or advantage or valuable consideration or inducement.  
 41 Nothing in this section shall be construed as prohibiting the payment  
 42 of, nor permitting the regulation of the payment of, commissions or



1 other compensation to duly licensed insurance producers and brokers,  
2 nor as prohibiting, or permitting the regulation of, any insurer from  
3 allowing or returning to its participating policyholders or members,  
4 dividends or savings.

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

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

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

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

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

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

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

- 42 (1) at least forty-five (45) days before the expiration date of the



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

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

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

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

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

- 16 (1) is legally required in an insurance transaction; or  
 17 (2) serves as evidence of insurance coverage;

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

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

- 23 (1) first class mail;  
 24 (2) first class mail, postage prepaid;  
 25 (3) certified mail;  
 26 (4) certificate of mail; or  
 27 (5) certificate of mailing.

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

- 31 (1) The party has affirmatively consented to electronic delivery  
 32 and has not withdrawn the consent.  
 33 (2) The party, before giving consent, is provided with a clear and  
 34 conspicuous statement informing the party of all the following:  
 35 (A) Any right or option of the party to have the notice or  
 36 document provided or made available in paper or another  
 37 nonelectronic form.  
 38 (B) The right of the party to withdraw consent to electronic  
 39 delivery of a notice or document and any fees, conditions, or  
 40 consequences that will be imposed on the party if the party  
 41 withdraws consent.  
 42 (C) Whether the party's consent applies:



- 1 (i) only to the particular transaction as to which the notice or
- 2 document must be given; or
- 3 (ii) to identified categories of notices or documents subject
- 4 to electronic delivery during the course of the party's
- 5 relationship with the insurer.
- 6 (D) The:
- 7 (i) means, after consent is given, by which the party may
- 8 obtain a paper copy of an electronically delivered notice or
- 9 document; and
- 10 (ii) applicable fee for the paper copy.
- 11 (E) The procedure the party must follow to:
- 12 (i) withdraw consent to electronic delivery of a notice or
- 13 document; and
- 14 (ii) update information needed to contact the party
- 15 electronically.
- 16 (3) The party:
- 17 (A) before giving consent, is provided with a statement of the
- 18 hardware and software requirements for access to and
- 19 retention of an electronically delivered notice or document;
- 20 and
- 21 (B) electronically:
- 22 (i) consents; or
- 23 (ii) confirms consent;
- 24 in a manner that reasonably demonstrates that the party is able
- 25 to access information in the electronic form that will be used
- 26 for electronic delivery of notices or documents to which the
- 27 party has given consent.
- 28 (4) If, after the party has consented to electronic delivery of
- 29 notices or documents, a change in the hardware or software
- 30 requirements needed for the party to access or retain an
- 31 electronically delivered notice or document creates a material risk
- 32 that the party will not be able to access or retain a subsequent
- 33 notice or document to which the consent applies, the insurer:
- 34 (A) provides the party with a statement of the:
- 35 (i) revised hardware and software requirements for access to
- 36 and retention of an electronically delivered notice or
- 37 document; and
- 38 (ii) right of the party to withdraw consent without the
- 39 imposition of a fee, condition, or consequence that was not
- 40 disclosed under subdivision (2)(B); and
- 41 (B) complies with subdivision (2).
- 42 **(e) Notwithstanding any other provision of this chapter, if a**



1 **party procures a policy of insurance through an online platform:**  
 2 **(1) the party affirmatively consents to have all notices and**  
 3 **other documents related to the policy delivered to the party**  
 4 **electronically; and**  
 5 **(2) the conditions set forth in subsection (d)(2) through (d)(4)**  
 6 **do not apply to the electronic delivery to the party of notices**  
 7 **and other documents related to the policy procured through**  
 8 **the online platform.**

9 **However, if a party described in this subsection requests to receive**  
 10 **notices and documents in paper format, the insurer shall provide**  
 11 **all notices and other documents related to the policy to the party**  
 12 **in paper format.**

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

17 (b) If another law requiring a notice or document to be provided to  
 18 a party expressly requires verification or acknowledgment of receipt of  
 19 the notice or document, electronic delivery of the notice or document  
 20 is permitted only if the method of electronic delivery provides for  
 21 verification or acknowledgment of receipt.

22 (c) The legal effectiveness, validity, or enforceability of a contract  
 23 or policy of insurance executed by a party may not be denied solely  
 24 because of the failure of the insurer to obtain electronic consent or  
 25 confirmation of consent of the party in accordance with section  
 26 ~~3(c)(3)(B)~~ **3(d)(3)(B)** of this chapter.

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

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

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

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





1 (b) A merchant or other seller of a service contract is not a  
2 "provider" for the purposes of this chapter by virtue of acting as  
3 the seller of the service contract.

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

7 Chapter 47. Activities Not Prohibited as Rebates

8 Sec. 1. (a) The following definitions apply throughout this  
9 section:

10 (1) "Drawing" means an activity in which:

11 (A) multiple participating persons could possibly receive a  
12 prize; and

13 (B) the person or persons who receive a prize are  
14 determined by chance, as by randomly drawing one (1) or  
15 more names or numbers from among many names or  
16 numbers.

17 (2) "Gift" means the voluntary transfer of anything of value  
18 without consideration.

19 (3) "Prize" means something of value received by a person as  
20 the result of a drawing.

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

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

28 (2) Conduct a drawing if:

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

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

34 (c) Neither:

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

36 (2) a prize received in a drawing conducted under subsection  
37 (b)(2);

38 may be in the form of cash.

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

42 (1) relate to or are provided in conjunction with a policy of



1 insurance; and  
 2 (2) are exclusively intended to:  
 3 (A) educate about;  
 4 (B) assess;  
 5 (C) monitor;  
 6 (D) control; or  
 7 (E) prevent;  
 8 risk of loss to persons or to persons' lives, health, or property.  
 9 (b) Offering or providing products or services under this section  
 10 is not a violation of IC 27-1-20-30, IC 27-1-22-18, or  
 11 IC 27-4-1-4(a)(8).  
 12 Sec. 3. (a) Subject to subsection (b), a person holding a license  
 13 under this title may offer or provide, for free or for less than fair  
 14 market value, services that are at least tangentially related to an  
 15 insurance contract or the administration of an insurance contract  
 16 if the services:  
 17 (1) are not contingent upon the purchase of insurance; and  
 18 (2) are offered on the same terms to all potential insurance  
 19 customers.  
 20 (b) Before:  
 21 (1) the recipient of services described in subsection (a):  
 22 (A) receives a quote of insurance; or  
 23 (B) purchases insurance; or  
 24 (2) an agent of record is assigned to the recipient of the  
 25 services;  
 26 the person offering or providing services under subsection (a) must  
 27 disclose conspicuously in writing to the recipient of the services  
 28 that receiving the services is not contingent on the purchase of  
 29 insurance.  
 30 Sec. 4. The insurance commissioner may adopt rules under  
 31 IC 4-22-2 to administer this chapter.  
 32 SECTION 19. IC 27-4-1-4, AS AMENDED BY P.L.50-2020,  
 33 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 34 JULY 1, 2021]: Sec. 4. (a) The following are hereby defined as unfair  
 35 methods of competition and unfair and deceptive acts and practices in  
 36 the business of insurance:  
 37 (1) Making, issuing, circulating, or causing to be made, issued, or  
 38 circulated, any estimate, illustration, circular, or statement:  
 39 (A) misrepresenting the terms of any policy issued or to be  
 40 issued or the benefits or advantages promised thereby or the  
 41 dividends or share of the surplus to be received thereon;  
 42 (B) making any false or misleading statement as to the



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



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

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

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

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

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

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

37 (i) policies or contracts of reinsurance or joint reinsurance,  
 38 or abstract and title insurance;

39 (ii) policies or contracts of insurance against loss or damage  
 40 to aircraft, or against liability arising out of the ownership,  
 41 maintenance, or use of any aircraft, or of vessels or craft,  
 42 their cargoes, marine builders' risks, marine protection and



1 indemnity, or other risks commonly insured under marine,  
 2 as distinguished from inland marine, insurance; or  
 3 (iii) policies or contracts of any other kind or kinds of  
 4 insurance whatsoever.  
 5 However, nothing contained in clause (C) shall be construed to  
 6 apply to any of the kinds of insurance referred to in clauses (A)  
 7 and (B) nor to reinsurance in relation to such kinds of insurance.  
 8 Nothing in clause (A), (B), or (C) shall be construed as making or  
 9 permitting any excessive, inadequate, or unfairly discriminatory  
 10 charge or rate or any charge or rate determined by the department  
 11 or commissioner to meet the requirements of any other insurance  
 12 rate regulatory law of this state.  
 13 (8) Except as otherwise expressly provided by **IC 27-1-47 or**  
 14 **another** law, knowingly permitting or offering to make or making  
 15 any contract or policy of insurance of any kind or kinds  
 16 whatsoever, including but not in limitation, life annuities, or  
 17 agreement as to such contract or policy other than as plainly  
 18 expressed in such contract or policy issued thereon, or paying or  
 19 allowing, or giving or offering to pay, allow, or give, directly or  
 20 indirectly, as inducement to such insurance, or annuity, any rebate  
 21 of premiums payable on the contract, or any special favor or  
 22 advantage in the dividends, savings, or other benefits thereon, or  
 23 any valuable consideration or inducement whatever not specified  
 24 in the contract or policy; or giving, or selling, or purchasing or  
 25 offering to give, sell, or purchase as inducement to such insurance  
 26 or annuity or in connection therewith, any stocks, bonds, or other  
 27 securities of any insurance company or other corporation,  
 28 association, limited liability company, or partnership, or any  
 29 dividends, savings, or profits accrued thereon, or anything of  
 30 value whatsoever not specified in the contract. Nothing in this  
 31 subdivision and subdivision (7) shall be construed as including  
 32 within the definition of discrimination or rebates any of the  
 33 following practices:  
 34 (A) Paying bonuses to policyholders or otherwise abating their  
 35 premiums in whole or in part out of surplus accumulated from  
 36 nonparticipating insurance, so long as any such bonuses or  
 37 abatement of premiums are fair and equitable to policyholders  
 38 and for the best interests of the company and its policyholders.  
 39 (B) In the case of life insurance policies issued on the  
 40 industrial debit plan, making allowance to policyholders who  
 41 have continuously for a specified period made premium  
 42 payments directly to an office of the insurer in an amount



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



- 1 (12) Requiring as a condition precedent to the sale of real or  
 2 personal property under any contract of sale, conditional sales  
 3 contract, or other similar instrument or upon the security of a  
 4 chattel mortgage, that the buyer of such property negotiate any  
 5 policy of insurance covering such property through a particular  
 6 insurance company, insurance producer, or broker or brokers.  
 7 However, this subdivision shall not prevent the exercise by any  
 8 seller of such property or the one making a loan thereon of the  
 9 right to approve or disapprove of the insurance company selected  
 10 by the buyer to underwrite the insurance.
- 11 (13) Issuing, offering, or participating in a plan to issue or offer,  
 12 any policy or certificate of insurance of any kind or character as  
 13 an inducement to the purchase of any property, real, personal, or  
 14 mixed, or services of any kind, where a charge to the insured is  
 15 not made for and on account of such policy or certificate of  
 16 insurance. However, this subdivision shall not apply to any of the  
 17 following:
- 18 (A) Insurance issued to credit unions or members of credit  
 19 unions in connection with the purchase of shares in such credit  
 20 unions.
  - 21 (B) Insurance employed as a means of guaranteeing the  
 22 performance of goods and designed to benefit the purchasers  
 23 or users of such goods.
  - 24 (C) Title insurance.
  - 25 (D) Insurance written in connection with an indebtedness and  
 26 intended as a means of repaying such indebtedness in the  
 27 event of the death or disability of the insured.
  - 28 (E) Insurance provided by or through motorists service clubs  
 29 or associations.
  - 30 (F) Insurance that is provided to the purchaser or holder of an  
 31 air transportation ticket and that:
    - 32 (i) insures against death or nonfatal injury that occurs during  
 33 the flight to which the ticket relates;
    - 34 (ii) insures against personal injury or property damage that  
 35 occurs during travel to or from the airport in a common  
 36 carrier immediately before or after the flight;
    - 37 (iii) insures against baggage loss during the flight to which  
 38 the ticket relates; or
    - 39 (iv) insures against a flight cancellation to which the ticket  
 40 relates.
- 41 (14) Refusing, because of the for-profit status of a hospital or  
 42 medical facility, to make payments otherwise required to be made



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





- 1 Services Protection Act, P.L.109-290; or  
 2 (B) defined in rules adopted under subsection (b).  
 3 (30) Violating IC 27-8-19.8-20.1 concerning stranger originated  
 4 life insurance.  
 5 (31) Violating IC 27-2-22 concerning retained asset accounts.  
 6 (32) Violating IC 27-8-5-29 concerning health plans offered  
 7 through a health benefit exchange (as defined in IC 27-19-2-8).  
 8 (33) Violating a requirement of the federal Patient Protection and  
 9 Affordable Care Act (P.L. 111-148), as amended by the federal  
 10 Health Care and Education Reconciliation Act of 2010 (P.L.  
 11 111-152), that is enforceable by the state.  
 12 (34) After June 30, 2015, violating IC 27-2-23 concerning  
 13 unclaimed life insurance, annuity, or retained asset account  
 14 benefits.  
 15 (35) Willfully violating IC 27-1-12-46 concerning a life insurance  
 16 policy or certificate described in IC 27-1-12-46(a).  
 17 (36) Violating IC 27-1-37-7 concerning prohibiting the disclosure  
 18 of health care service claims data.  
 19 (b) Except with respect to federal insurance programs under  
 20 Subchapter III of Chapter 19 of Title 38 of the United States Code, the  
 21 commissioner may, consistent with the federal Military Personnel  
 22 Financial Services Protection Act (10 U.S.C. 992 note), adopt rules  
 23 under IC 4-22-2 to:  
 24 (1) define; and  
 25 (2) while the members are on a United States military installation  
 26 or elsewhere in Indiana, protect members of the United States  
 27 Armed Forces from;  
 28 dishonest or predatory insurance practices.  
 29 SECTION 20. IC 27-7-6-5 IS AMENDED TO READ AS  
 30 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 5. (a) ~~No~~ A notice of  
 31 cancellation of a policy to which section 4 of this chapter applies ~~shall~~  
 32 **be is not** effective:  
 33 (1) ~~unless it is mailed or delivered~~ by the insurer to the named  
 34 insured at least twenty (20) days prior to the effective date of  
 35 cancellation; ~~provided, however, that where or~~  
 36 (2) **if the** cancellation is for nonpayment of premium, **unless it is:**  
 37 (A) **mailed by the insurer to the named insured** at least ten  
 38 (10) days ~~notice before the effective date~~ of cancellation; and  
 39 (B) **accompanied by the a written statement of the** reason  
 40 ~~therefor shall be given.~~ **for the cancellation.**  
 41 (b) ~~In the event such~~ **If** a policy was procured by an **independent**  
 42 insurance producer duly licensed by the state of Indiana, notice of



1 intent to cancel **the policy** shall be mailed ~~or delivered~~ to the  
 2 **independent** insurance producer at least ten (10) days prior to ~~such the~~  
 3 mailing ~~or delivery of the notice of cancellation~~ to the named insured  
 4 **under subsection (a)**, unless such notice of intent to cancel is or has  
 5 been waived in writing by the **independent** insurance producer.

6 (c) Unless a **written statement of the reason for the cancellation**  
 7 accompanies or is included in the notice of cancellation, the notice of  
 8 cancellation **of a policy that is mailed under subsection (a)** shall state  
 9 or be accompanied by a statement that, upon ~~the~~ written request of the  
 10 named insured **that is** mailed or delivered to the insurer not less than  
 11 fifteen (15) days prior to the effective date of cancellation, the insurer  
 12 will specify the reason for such cancellation.

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

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

20 (b) ~~In the event such~~ **If** a policy was procured by an **independent**  
 21 insurance producer duly licensed by the state of Indiana, a notice of  
 22 intent not to renew **the policy** shall be mailed ~~or delivered~~ to the  
 23 **independent** insurance producer at least ten (10) days prior to ~~such the~~  
 24 mailing ~~or delivery of the notice of intention not to renew~~ to the  
 25 named insured **under subsection (a)**, unless such notice of intent is or  
 26 has been waived in writing by the **independent** insurance producer.

27 ~~(b)~~ (c) This section ~~shall~~ **does** not apply:

- 28 (1) if the insurer has manifested its willingness to renew; or
- 29 (2) in case of nonpayment of premium.

30 However, notwithstanding the failure of an insurer to comply with this  
 31 section, the policy shall terminate on the effective date of any other  
 32 insurance policy with respect to any automobile designated in both  
 33 policies.

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

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

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

42 SECTION 22. IC 27-7-12-3, AS AMENDED BY P.L.116-2011,



1 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 2021]: Sec. 3. (a) Notice of cancellation of property insurance  
3 coverage by an insurer must:

- 4 (1) be in writing;  
5 (2) be ~~delivered~~ or mailed to the named insured at the last known  
6 address of the named insured;  
7 (3) state the effective date of the cancellation; and  
8 (4) upon request of the named insured, be accompanied by a  
9 written explanation of the specific reasons for the cancellation.

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

- 12 (1) ten (10) days before canceling a policy, if the cancellation is  
13 for nonpayment of a premium;  
14 (2) twenty (20) days before canceling a policy, if:  
15 (A) the cancellation occurs more than sixty (60) days after the  
16 date of issuance of the policy; or  
17 (B) the insurer has received a copy of a complaint under  
18 IC 32-30-10.5-8(d)(2) concerning the property; and  
19 (3) ten (10) days before canceling a policy, if the cancellation  
20 occurs not more than sixty (60) days after the date of issuance of  
21 the policy.

22 (c) If the policy was procured by an independent insurance producer  
23 licensed in Indiana, the insurer shall ~~deliver~~ or mail notice of  
24 cancellation to the insurance producer not less than ten (10) days  
25 before the insurer ~~delivers~~ or mails the notice to the named insured,  
26 unless the obligation to notify the insurance producer is waived in  
27 writing by the insurance producer.

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

- 31 (1) be in writing;  
32 (2) be ~~delivered~~ or mailed to the named insured at the last known  
33 address of the named insured;  
34 (3) state the insurer's intention not to renew the policy upon  
35 expiration of the current policy period;  
36 (4) upon request of the named insured, be accompanied by a  
37 written explanation of the specific reasons for the nonrenewal;  
38 and  
39 (5) be **provided mailed** to the named insured at least twenty (20)  
40 days before the expiration of the current policy period.

41 (b) If the policy was procured by an independent insurance producer  
42 licensed in Indiana, the insurer shall ~~deliver~~ or mail notice of



1 nonrenewal to the insurance producer not less than ten (10) days before  
2 the insurer ~~delivers or~~ mails the notice to the named insured **under**  
3 **subsection (a)**, unless the obligation to notify the insurance producer  
4 is waived in writing by the insurance producer.

5 (c) Notice of nonrenewal under this section is not required if:  
6 (1) the named insured is transferred from an insurer to an affiliate  
7 of the insurer for future coverage; and  
8 (2) the transfer results in the same or broader coverage.  
9 (d) If an insurer mails ~~or delivers~~ to an insured a renewal notice,  
10 bill, certificate, or policy indicating the insurer's willingness to renew  
11 a policy and the insured does not respond, the insurer is not required to  
12 **provide mail** to the insured notice of intention not to renew.



## COMMITTEE REPORT

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

Page 1, line 13, delete "(a) This chapter applies to".

Page 1, delete lines 14 through 15.

Page 1, line 16, delete "(b)".

Page 1, run in lines 13 through 16.

Page 2, between lines 1 and 2, begin a new paragraph and insert:

"SECTION 3. IC 12-15-39.6-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 7. (a) The department of insurance or the agency with which the department of insurance has contracted under section 6(b) of this chapter shall make available to any individual interested in participating in ~~the Indiana~~ a long term care program information concerning the following:

(1) The Indiana long term care program **established under this chapter.**

(2) **The Indiana long term care insurance partnership program established under IC 12-15-39.8.**

~~(3)~~ (3) Long term care insurance policies, **including:**

(A) **qualified long term care policies that meet the definition set forth in section 5 of this chapter; and**

(B) **qualified long term care insurance policies that meet the definition set forth in IC 12-15-39.8-3.**

~~(4)~~ (4) Medicare supplement insurance policies.

~~(5)~~ (5) Parts A and B of the Medicare program (42 U.S.C. 1395 et seq.).

~~(6)~~ (6) Health maintenance organizations under IC 27-13 that are contracted with the Medicare program.

~~(7)~~ (7) The Medicaid program.

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

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

(1) **the Indiana long term care program established under this chapter; or**



**(2) the Indiana long term care insurance partnership program established under IC 12-15-39.8."**

Page 8, after line 41, begin a new paragraph and insert:

"SECTION 9. IC 27-1-20-30 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 30. **(a) This section does not prohibit activities allowed under IC 27-1-47.**

~~(a)~~ **(b)** No company acting through its officers or members, attorney-in-fact, or by any other party, no officer of a company acting on the officer's own behalf and no insurance producer, broker, or solicitor, personally or by any other party, shall offer, promise, allow, give, set off or pay, directly or indirectly, any rebate of or part of the premium payable on a policy, or any insurance producer's commission thereon, or earnings, profits, dividends or other benefits founded, arising, accruing, or to accrue thereon or therefrom, or any special advantage in date of policy or age of issue, or any paid employment or contract for services of any kind, or any other valuable consideration or inducement, to or for insurance on any risk in this state, now or hereafter to be written, or for or upon any renewal of any such insurance, which is not specified in the policy contract of insurance, or offer, promise, give, option, sell or purchase any stocks, bonds, securities, or property, or any dividends or profits accruing or to accrue thereon, or other thing of value whatsoever as inducement to insurance or in connection therewith, or any renewal thereof, which is not specified in the policy. Nothing in this section shall prevent a company which transacts industrial life insurance on a weekly payment plan from returning to policyholders who have made a premium payment for a period of at least one (1) year directly to the company at its home or district office a percentage of premium which the company would otherwise have paid for the weekly collection of such premium, nor shall this section be construed to prevent the taking of a bona fide obligation, with legal interest, in payment of any premium.

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

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

**(b)** No insurer, broker, or insurance producer shall knowingly



charge, demand, or receive a premium for any policy of insurance except in accordance with the provisions of this chapter. No insurer or employee thereof, and no broker or insurance producer shall pay, allow, or give, directly or indirectly, as an inducement to insurance, or after insurance has been effected, any rebate, discount, abatement, credit, or reduction of the premium named in a policy of insurance, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever, not specified in the policy of insurance, except to the extent provided for in applicable filings. No insured named in any policy of insurance shall knowingly receive or accept, directly or indirectly, any such rebate, discount, abatement, credit or reduction of premium, or any such special favor or advantage or valuable consideration or inducement. Nothing in this section shall be construed as prohibiting the payment of, nor permitting the regulation of the payment of, commissions or other compensation to duly licensed insurance producers and brokers, nor as prohibiting, or permitting the regulation of, any insurer from allowing or returning to its participating policyholders or members, dividends or savings.

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

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

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

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

SECTION 12. IC 27-1-31-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 2.5. An insurer may



cancel a policy of insurance that the insurer has written that has been in effect ninety (90) days or less by ~~providing~~ **mailing** a written notice of cancellation to a person insured under the policy at least:

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

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

- (1) at least forty-five (45) days before the expiration date of the policy, if the coverage provided is for one (1) year, or less; or
  - (2) at least forty-five (45) days before the anniversary date of the policy, if the coverage provided is for more than one (1) year.
- (b) A notice of nonrenewal is not required if:
- (1) the insured is transferred from an insurer to an affiliate of the insurer for future coverage; and
  - (2) the transfer results in the same or broader coverage.

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

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

- (1) is legally required in an insurance transaction; or
- (2) serves as evidence of insurance coverage;

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

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

- (1) first class mail;
- (2) first class mail, postage prepaid;
- (3) certified mail;
- (4) certificate of mail; or
- (5) certificate of mailing.





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

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

(2) The party, before giving consent, is provided with a clear and conspicuous statement informing the party of all the following:

(A) Any right or option of the party to have the notice or document provided or made available in paper or another nonelectronic form.

(B) The right of the party to withdraw consent to electronic delivery of a notice or document and any fees, conditions, or consequences that will be imposed on the party if the party withdraws consent.

(C) Whether the party's consent applies:

(i) only to the particular transaction as to which the notice or document must be given; or

(ii) to identified categories of notices or documents subject to electronic delivery during the course of the party's relationship with the insurer.

(D) The:

(i) means, after consent is given, by which the party may obtain a paper copy of an electronically delivered notice or document; and

(ii) applicable fee for the paper copy.

(E) The procedure the party must follow to:

(i) withdraw consent to electronic delivery of a notice or document; and

(ii) update information needed to contact the party electronically.

(3) The party:

(A) before giving consent, is provided with a statement of the hardware and software requirements for access to and retention of an electronically delivered notice or document; and

(B) electronically:

(i) consents; or

(ii) confirms consent;

in a manner that reasonably demonstrates that the party is able to access information in the electronic form that will be used for electronic delivery of notices or documents to which the party has given consent.



(4) If, after the party has consented to electronic delivery of notices or documents, a change in the hardware or software requirements needed for the party to access or retain an electronically delivered notice or document creates a material risk that the party will not be able to access or retain a subsequent notice or document to which the consent applies, the insurer:

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

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

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

(B) complies with subdivision (2).

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

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

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

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

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

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

(c) The legal effectiveness, validity, or enforceability of a contract or policy of insurance executed by a party may not be denied solely because of the failure of the insurer to obtain electronic consent or confirmation of consent of the party in accordance with section ~~3(e)(3)(B)~~ **3(d)(3)(B)** of this chapter.

SECTION 16. IC 27-1-43-5, AS ADDED BY P.L.119-2014,



SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 5. (a) A withdrawal of consent by a party does not affect the legal effectiveness, validity, or enforceability of a notice or document that is electronically delivered to the party before the withdrawal of consent is effective.

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

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

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

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

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

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

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

- (1) "Drawing" means an activity in which:**
  - (A) multiple participating persons could possibly receive a prize; and**
  - (B) the person or persons who receive a prize are determined by chance, as by randomly drawing one (1) or more names or numbers from among many names or numbers.**
- (2) "Gift" means the voluntary transfer of anything of value without consideration.**
- (3) "Prize" means something of value received by a person as the result of a drawing.**

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

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



**(2) Conduct a drawing if:**

- (A) persons participating in the drawing do not pay or incur a cost for their participation; and**
- (B) the value of the prize or prizes received by any single person participating in the drawing does not exceed five hundred dollars (\$500).**

**(c) Neither:**

- (1) a gift given under subsection (b)(1); nor**
- (2) a prize received in a drawing conducted under subsection (b)(2);**

may be in the form of cash.

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

- (1) relate to or are provided in conjunction with a policy of insurance; and**
- (2) are exclusively intended to:**
  - (A) educate about;**
  - (B) assess;**
  - (C) monitor;**
  - (D) control; or**
  - (E) prevent;**

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

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

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

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

**(b) Before:**

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

**the person offering or providing services under subsection (a) must disclose conspicuously in writing to the recipient of the services**



**that receiving the services is not contingent on the purchase of insurance.**

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

SECTION 19. IC 27-4-1-4, AS AMENDED BY P.L.50-2020, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: 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 **IC 27-1-47** or **another** 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).

(36) Violating IC 27-1-37-7 concerning prohibiting the disclosure of health care service claims data.

(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 (10 U.S.C. 992 note), 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.

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

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

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

~~(A) mailed by the insurer to the named insured~~ at least ten (10) days ~~notice before the effective date~~ of cancellation; ~~and~~

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

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

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

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

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

~~(b) In the event such~~ **If a policy was procured by an independent insurance producer duly licensed by the state of Indiana, a notice of intent not to renew the policy shall be mailed or delivered to the independent insurance producer at least ten (10) days prior to such the mailing or delivery of the notice of intention not to renew to the named insured under subsection (a), unless such notice of intent is or has been waived in writing by the independent insurance producer.**

~~(b) (c) This section shall does~~ not apply:

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- (1) if the insurer has manifested its willingness to renew; or
- (2) in case of nonpayment of premium.

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

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

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

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

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

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

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

- (1) ten (10) days before canceling a policy, if the cancellation is for nonpayment of a premium;
- (2) twenty (20) days before canceling a policy, if:
  - (A) the cancellation occurs more than sixty (60) days after the date of issuance of the policy; or
  - (B) the insurer has received a copy of a complaint under IC 32-30-10.5-8(d)(2) concerning the property; and
- (3) ten (10) days before canceling a policy, if the cancellation occurs not more than sixty (60) days after the date of issuance of the policy.

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



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

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

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

(c) Notice of nonrenewal under this section is not required if:

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

(d) If an insurer mails ~~or delivers~~ to an insured a renewal notice, bill, certificate, or policy indicating the insurer's willingness to renew a policy and the insured does not respond, the insurer is not required to ~~provide mail~~ to the insured notice of intention not to renew."

and when so amended that said bill do pass.

(Reference is to HB 1405 as introduced.)

CARBAUGH

Committee Vote: yeas 13, nays 0.

