

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 6308
BILL NUMBER: HB 1044

NOTE PREPARED: Feb 17, 2026
BILL AMENDED: Feb 16, 2026

SUBJECT: Insurance Coverage for Public Safety Employees.

FIRST AUTHOR: Rep. Pressel
FIRST SPONSOR: Sen. Walker K

BILL STATUS: As Passed Senate

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill provides that a public safety employee who: (1) becomes disabled on or after January 1, 2020; (2) receives a Class 1 or a Class 2 impairment benefit; and (3) is eligible for group health insurance coverage for the public safety employee and the public safety employee's spouse or dependents; must pay no more than the amount that the public safety employee would have been required to pay if still serving as a current active public safety employee employed by the local unit public employer. It specifies that the public safety employee must file a written request for insurance coverage with the employer before June 1, 2026, or within 90 days after the public safety employee begins receiving disability benefits, whichever is later. It also specifies that if a public safety agency closes, merges, or otherwise ceases to exist, the local unit public employer that caused the public safety agency to cease to exist, shall continue to provide certain insurance coverage.

This bill also provides that a surviving spouse or dependent of a public safety employee who dies in the line of duty must pay the same amount that the public safety employee would have been required to pay if still serving as a current active public safety employee employed by the local unit public employer for coverage selected by the surviving spouse or dependent under the group health insurance program.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: The bill requires disabled public safety employees that have a Class 1 or a Class 2 impairment, and are covered under a local unit's group health insurance, to pay not more than the same insurance premium as active public safety employees employed by the local unit. This will increase expenses for any local unit that pays a portion of the insurance premium cost for their employees and that cover current or former employees that have a Class 1 or Class 2 impairment (including their eligible spouses and dependants), as prescribed in the bill.

Increases in expenditures resulting from the bill may be mitigated since the bill also requires that a spouse's eligibility for coverage must end when the spouse becomes eligible for Medicare coverage, remarries, or when health insurance becomes available to the spouse through employment.

Additional Information - The bill applies to public safety employees who are members of the 1977 Police Officers' and Firefighters' Pension and Disability Fund ('77 Fund) who became disabled (Class 1 or Class 2 impairment only) on or after January 1, 2020. Indiana Public Retirement System (INPRS) data indicate that between November 2020 and October 2025, a total of 269 public safety employees in the state received a designation of a Class 1 or Class 2 impairment.

A Class 1 impairment is the direct result of either (1) a personal injury in the line of duty or when responding to an offence or emergency while off duty, or (2) an occupational disease including mental illness. A Class 2 impairment is a duty related disease arising out of the individual's employment that results in a presumption of disability incurred in the line of duty.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Local units with employees who are members of the '77 Fund.

Information Sources: INPRS 1977 Fund Disability Statistics, November 2025; IC 36-8-8-12.5.

Fiscal Analyst: Jason Barrett, 317-232-9809; Camille Tesch, 317-232-2593.