

PROPOSED AMENDMENT

HB 1260 # 6

DIGEST

Insurance matters. Requires a person or entity that has knowledge or a reasonable belief that a fraudulent insurance act is being, will be, or has been committed to furnish the information to the department of insurance or the National Insurance Crime Bureau not later than 60 days after the person receives notice of the fraudulent insurance act. Provides that a person or entity is not subject to civil or criminal liability for filing a report or furnishing other information concerning a suspected, anticipated, or completed fraudulent insurance act under certain circumstances. Sets forth a fee schedule for providing unrestricted data to certain entities from the all payer claims data base. Changes the applicability of the chapter regarding notice of a material change from after June 30, 2026, to on or after January 1, 2027. Amends the definitions of "automobile policy", "homeowner's policy", and "material change" for purposes of the chapter regarding notice of material change. Allows the insurance commissioner to waive the requirements for a merger or consolidation of a farm mutual insurance company with any other company if an emergency event occurs. Makes various changes to the property and casualty insurance and guaranty association law. Provides that a policy of insurance that provides coverage in excess of any liability relating to a self-insured retention amount shall be considered a commercial umbrella or excess liability policy under the uninsured and underinsured motorist coverage provision. Changes the applicability date of the provisions concerning nonrenewal of automobile insurance policies and residential policies from after June 30, 2026, to on or after January 1, 2027. Requires an insurer of automobile insurance policies to mail a notice of nonrenewal to an insured at least 30 days before the expiration of the policy. Requires an insurer of residential policies to take certain actions when the insurer utilizes aerial images as part of the insurer's coverage determinations. Makes corresponding changes.

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- 1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 27-1-3-22 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 22. (a) As used in this
5 section, "fraudulent insurance act" means:
6 (1) the preparation or presentation of a written statement as part
7 of, or in support of:
8 (A) a fraudulent application for the issuance or rating of a
9 policy of commercial insurance; or
10 (B) a fraudulent claim under a policy of commercial or
11 personal insurance; or
12 (2) the concealment, for the purpose of misleading, of information
13 concerning any fact material to an application or claim described
14 in subdivision (1).

(b) As used in this section, "fraudulent insurance act" includes the act or omission of a person who, knowingly and with intent to defraud, does any of the following:

(1) Presents, causes to be presented, or prepares with knowledge or belief that it will be presented, to or by an insurer, a reinsurer, a purported insurer or reinsurer, a broker, or an agent of an insurer, reinsurer, purported insurer or reinsurer, or broker, an oral or written statement that the person knows to contain materially false information as part of, in support of, or concerning any fact that is material to:

(A) an application for the issuance of an insurance policy;

(B) the rating of an insurance policy;

(C) a claim for payment or benefit under an insurance policy;

(D) premiums paid on an insurance policy;

(E) payments made in accordance with the terms of an insurance policy;

(F) an application for a certificate of authority;

(G) the financial condition of an insurer, a reinsurer, or a purported insurer or reinsurer; or

(H) the acquisition of an insurer or a reinsurer;

or conceals any information concerning a subject set forth in clauses (A) through (H).

(2) Solicits or accepts new or renewal insurance risks by or for an insolvent insurer, reinsurer, or other entity regulated under this title.

(3) Removes or attempts to remove:

(A) the assets;

(B) the record of assets, transactions, and affairs; or

(C) a material part of the assets or the record of assets, transactions, and affairs;

of an insurer, a reinsurer, or another entity regulated under this title, from the home office, other place of business, or place of safekeeping of the insurer, reinsurer, or other regulated entity, or conceals or attempts to conceal from the department assets or records referred to in clauses (A) through (C).

(4) Diverts, attempts to divert, or conspires to divert funds of an insurer, a reinsurer, another entity regulated under the Indiana Code, or other persons, in connection with any of the following:

(A) The transaction of insurance or reinsurance.

(B) The conduct of business activities by an insurer, a

reinsurer, or another entity regulated under this title.

(C) The formation, acquisition, or dissolution of an insurer, a reinsurer, or another entity regulated under this title.

(c) A person or entity regulated under this title that has knowledge or a reasonable belief that a fraudulent insurance act is being, will be, or has been committed shall furnish the information to:

(1) the department; or

(2) the National Insurance Crime Bureau;

not later than sixty (60) days after the person receives notice of the fraudulent insurance act. If the National Insurance Crime Bureau receives information under this subsection, the National Insurance Crime Bureau shall disclose the information to the department.

~~(c)~~ **(d)** A person **or entity** who acts without malice, fraudulent intent, or bad faith is not subject to civil **or criminal** liability for filing a report or furnishing, orally or in writing, other information concerning a suspected, anticipated, or completed fraudulent insurance act if the report or other information is provided to or received from any of the following:

(1) The department or an agent, an employee, or a designee of the department.

(2) Law enforcement officials or an agent or employee of a law enforcement official.

(3) The National Association of Insurance Commissioners.

(4) Any agency or bureau of federal or state government established to detect and prevent fraudulent insurance acts.

(5) Any other organization established to detect and prevent fraudulent insurance acts.

(6) The National Insurance Crime Bureau.

(7) Any person or entity regulated under this title.

~~(6)~~ **(8)** An agent, an employee, or a designee of an entity referred to in subdivisions (3) through ~~(5)~~: **(7)**.

~~(d)~~ **(e)** This section does not abrogate or modify in any way any common law or statutory privilege or immunity.

SECTION 2. IC 27-1-3-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 23. (a) For the purposes of this section, a party is "substantially justified" in initiating a civil action if the action had a reasonable basis in law or fact at the time the action was initiated.

(b) If:

(1) a person or entity referred to in section ~~22(e)~~ **22(d)** of this chapter, or an employee or agent of a person or entity referred to in section ~~22(e)~~, **22(d)**, is the prevailing party in a civil action for libel, slander, or any other relevant tort arising out of the filing of a report or the furnishing of information under section ~~22(e)~~ **22(d)** of this chapter; and

(2) the party who initiated the action was not substantially justified in initiating the action;

the person, entity, employee, or agent referred to in subdivision (1) is entitled to an award of attorney's fees and costs.

SECTION 3. IC 27-1-44.5-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 12. (a) Except as provided in subsections (b), (c), and (e), the fee schedule for each type of unrestricted data request is as follows:**

Non-program Affiliated Individual

Data Set	Per Quarter	Per Year
Member Eligibility	\$1,000	\$4,000
Medical Claims	\$1,500	\$6,000
Pharmacy Claims	\$ 500	\$2,000
Hospital Encounters		
Inpatient	\$1,500	\$6,000
Outpatient	\$1,250	\$5,000
Emergency Dept.	\$1,250	\$5,000

Commercial Entity (Non-redistribution)

Data Set	Per Quarter	Per Year
Member Eligibility	\$1,500	\$6,000
Medical Claims	\$2,250	\$9,000
Pharmacy Claims	\$ 750	\$3,000
Hospital Encounters		
Inpatient	\$2,250	\$9,000
Outpatient	\$1,875	\$7,500
Emergency Dept.	\$1,875	\$7,500

Nonprofit/Educational Entity

Data Set	Per Quarter	Per Year
Member Eligibility	\$ 250	\$1,000

1	Medical Claims	\$ 375	\$1,500
2	Pharmacy Claims	\$ 125	\$ 500
3	Hospital Encounters		
4	Inpatient	\$ 375	\$1,500
5	Outpatient	\$ 312.50	\$1,250
6	Emergency Dept.	\$ 312.50	\$1,250
7	Commercial Redistributor (Resellers)		
8	Data Set	Per Quarter	Per Year
9	Member Eligibility	\$2,500	\$10,000
10	Medical Claims	\$3,750	\$15,000
11	Pharmacy Claims	\$1,250	\$5,000
12	Hospital Encounters		
13	Inpatient	\$3,750	\$15,000
14	Outpatient	\$3,125	\$12,500
15	Emergency Dept.	\$3,125	\$12,500
16	(b) Data files, reports, or tables not otherwise listed in		
17	subsection (a) or custom data sets must be generated at a base rate		
18	of eighty dollars (\$80) per hour with a minimum one (1) hour		
19	charge applied. An additional fee of three (3) cents must be		
20	charged per individual life generated in the data, report, or table.		
21	A written estimate of the total cost must be provided to an entity		
22	that requests data or information under this subsection before the		
23	request is fulfilled.		
24	(c) State or local agencies within the geographical boundaries of		
25	Indiana that request data for public distribution or		
26	non-redistribution purposes may not be charged a fee under this		
27	section.		
28	(d) If it is determined by the data base that access to the analytic		
29	environment is necessary based on the quantity and type of data		
30	requested, the requesting entity will incur an additional licensing		
31	fee of one thousand dollars (\$1,000) per month per user.		
32	(e) Member eligibility data sets for the requested time period		
33	must be provided at no charge if requested along with at least one		
34	(1) other data set.		
35	(f) A requesting entity may submit to the department a request		
36	for a waiver of any applicable fees if the entirety of the entity's		
37	research findings will be released to the public at no cost to the		

1 reader.

2 (g) A fee collected under this section must be deposited in the
3 department of insurance fund created by IC 27-1-3-28.

4 SECTION 4. IC 27-2-28-1, AS AMENDED BY P.L.236-2025,
5 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2026]: Sec. 1. (a) This chapter applies to a personal
7 automobile or homeowner's policy that is issued, delivered, amended,
8 or renewed on or after ~~June 30, 2026~~ **January 1, 2027**.

9 (b) This chapter does not apply to:

10 (1) notices required by the federal Fair Credit Reporting Act (15
11 U.S.C. 1681 et seq.); or

12 (2) **declinations of coverage.**

13 SECTION 5. IC 27-2-28-2, AS ADDED BY P.L.226-2023,
14 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2026]: Sec. 2. (a) As used in this chapter, "automobile policy"
16 means a policy providing one (1) or more of the types of insurance
17 described in Class 2(f) of IC 27-1-5-1.

18 (b) **The term includes an automobile policy under which the**
19 **insured vehicle designated in the policy is rated as private**
20 **passenger.**

21 (c) **The term does not include personal insurance policies for the**
22 **coverage of:**

23 (1) boats;

24 (2) inland marine;

25 (3) motorcycles;

26 (4) off-road vehicles;

27 (5) recreational vehicles;

28 (6) trailers;

29 (7) fleets;

30 (8) antique or collector vehicles;

31 (9) classic vehicles;

32 (10) specialty vehicles; or

33 (11) **any other personal insurance policy not listed in**
34 **subdivisions (1) through (10).**

35 SECTION 6. IC 27-2-28-3, AS ADDED BY P.L.226-2023,
36 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JULY 1, 2026]: Sec. 3. (a) As used in this chapter, "homeowner's
38 policy" means a policy that provides:

39 (1) coverage for:

40 (A) damage to or the destruction of:

- 1 (i) a structure; or
- 2 (ii) a unit within a structure;
- 3 that is used as a residence by one (1) or more individuals; and
- 4 (B) damage to or the loss of personal property that is present
- 5 in the structure or unit described in clause (A);
- 6 caused by perils such as fire, hail, and lightning; and
- 7 (2) coverage against the civil liability of the policyholder arising
- 8 from bodily injury or property damage incurred by others.

9 **(b) The term includes a mobile homeowner's policy,**
 10 **manufactured homeowner's policy, condominium homeowner's**
 11 **policy, and renter's coverage.**

12 **(c) The term does not include farm policies, non-owner occupied**
 13 **dwellings, other residential policies that are not written on a**
 14 **homeowner's policy form or other landlord policies.**

15 SECTION 7. IC 27-2-28-6, AS ADDED BY P.L.226-2023,
 16 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2026]: Sec. 6. (a) As used in this chapter, "material change"
 18 means

19 ~~(1) an a premium~~ increase of more than ten percent (10%) over
 20 ~~the expiring premium for; or and above the increases in the~~
 21 **insurer's filed rate plan, including base rate increases and any**
 22 **other changes to the insurer's filed rate plan.**

23 ~~(2) another adverse or unfavorable change in the terms of~~
 24 ~~coverage or amount of;~~
 25 ~~insurance in connection with a personal automobile or homeowner's~~
 26 ~~policy;~~

- 27 (b) The term does not include the following:
- 28 (1) An increase in the insurer's filed rate plan and automatic
 - 29 inflationary increases.
 - 30 (2) An additional premium due to a change initiated by the
 - 31 insured, such as:
 - 32 (A) adding or removing vehicles or drivers;
 - 33 (B) adding an endorsement;
 - 34 (C) adding additional coverages;
 - 35 (D) adding covered premises; or
 - 36 (E) increasing coverage limits or deductibles.
 - 37 (3) An additional premium due to a change in risk exposure as a
 - 38 result of the insured's participation in a usage based or telematics
 - 39 insurance program.
 - 40 (4) Changes resulting from a property inspection.

(5) For purposes of the second or subsequent renewals, rate increases that are implemented over more than one (1) policy period if:

(A) the implementation plan is included in the insurer's filed rate plan; or

(B) the increase for any one (1) policy period is not more than ten (10%) over the expiring policy period's premium.

(6) Adverse or unfavorable changes that occur when coverage has been in effect for less than sixty (60) days."

Page 2, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 8. IC 27-5.1-2-24.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 24.5. (a) The commissioner may waive the requirements of this chapter or IC 27-1-9, whichever is applicable, for a merger or consolidation of a farm mutual insurance company with any other company (as defined in IC 27-1-2-3) if:

(1) the farm mutual insurance company is notified that it will lose reinsurance coverage within one hundred twenty days (120) days; or

(2) another emergency event occurs that places the farm mutual insurance company in imminent danger of insolvency.

(b) A farm mutual insurance company that decides to merge or consolidate as a result of an emergency event described in subsection (a) shall provide notice of the emergency event to the commissioner not later than ten (10) days after the emergency event occurs.

(c) The commissioner shall issue a decision on the proposed merger or consolidation not more than ninety (90) days after receiving notice from a farm mutual insurance company under subsection (b).

SECTION 9. IC 27-6-8-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. This chapter applies to all kinds of direct insurance except:

(1) life, annuity, health, or disability insurance;

(2) mortgage guaranty, financial guaranty, or other forms of insurance offering protection against investment risks;

(3) fidelity or surety bonds, or any other bonding obligations;

(4) credit insurance, vendors' single interest insurance, or collateral protection insurance or similar insurance with the

primary purpose of protecting the interests of a creditor arising out of a creditor-debtor transaction;

(5) other than coverages that may be set forth in a cybersecurity insurance policy, warranty or service contract insurance, including insurance that provides:

(A) for the repair, replacement, or service of goods or property;

(B) indemnification for repair, replacement, or service for the operational or structural failure of the goods or property due to a defect in materials, workmanship, or normal wear and tear, or

(C) reimbursement for the liability incurred by the issuer of agreements or service contracts that provide the benefits described in clauses (A) and (B).

(6) title insurance;

(7) ocean marine insurance;

(8) a transaction between a person or an affiliate of a person and an insurer or an affiliate of an insurer that involves the transfer of investment or credit risk without a transfer of insurance risk;

(9) insurance provided by or guaranteed by a government entity; and

(10) insurance written on a retroactive basis to cover known losses for which a claim has already been made and the claim is known to the insurer at the time the insurance is bound.

SECTION 10. IC 27-6-8-4, AS AMENDED BY P.L.158-2024, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) As used in this chapter, unless otherwise provided:

(1) The term "account" means any one (1) of the three (3) accounts created by section 5 of this chapter.

(2) The term "association" means the Indiana Insurance Guaranty Association created by section 5 of this chapter.

(3) The term "commissioner" means the commissioner of insurance of this state.

(4) The term "covered claim" means an unpaid claim which arises out of and is within the coverage and not in excess of the applicable limits of an insurance policy to which this chapter applies issued by an insurer, if the insurer becomes an insolvent insurer after the effective date (January 1, 1972) of this chapter and (a) the claimant or insured is a resident of this state at the

1 time of the insured event or (b) the property from which the claim
2 arises is permanently located in this state. "Covered claim" shall
3 be limited as provided in section 7 of this chapter, and shall not
4 include the following:

5 (A) Any amount due any reinsurer, insurer, insurance pool, or
6 underwriting association, as subrogation recoveries or
7 otherwise. However, a claim for any such amount, asserted
8 against a person insured under a policy issued by an insurer
9 which has become an insolvent insurer, which if it were not a
10 claim by or for the benefit of a reinsurer, insurer, insurance
11 pool or underwriting association, would be a "covered claim"
12 may be filed directly with the receiver or liquidator of the
13 insolvent insurer, but in no event may any such claim be
14 asserted in any legal action against the insured of such
15 insolvent insurer.

16 (B) Any supplementary obligation including but not limited to
17 adjustment fees and expenses, attorney fees and expenses,
18 court costs, interest and bond premiums, whether arising as a
19 policy benefit or otherwise, prior to the appointment of a
20 liquidator.

21 (C) Any unpaid claim that is filed with the association after the
22 final date set by the court for the filing of claims against the
23 liquidator or receiver of an insolvent insurer. For the purpose
24 of filing a claim under this clause, notice of a claim to the
25 liquidator of the insolvent insurer is considered to be notice to
26 the association or the agent of the association and a list of
27 claims must be periodically submitted to the association (or
28 another state's association that is similar to the association) by
29 the liquidator.

30 (D) A claim that is excluded under section 11.5 of this chapter
31 due to the high net worth of an insured.

32 (E) Any claim by a person who directly or indirectly controls,
33 is controlled, or is under common control with an insolvent
34 insurer on December 31 of the year before the order of
35 liquidation.

36 **(F) Any amount awarded as punitive or exemplary**
37 **damages.**

38 **(G) Any amount sought as a return of premium under any**
39 **retrospective rating plan.**

40 **(H) Any claim filed with the association or a liquidator for**

1 **protection afforded under the insured's policy for incurred**
 2 **but not reported losses.**

3 All covered claims filed in the liquidation proceedings shall be
 4 referred immediately to the association by the liquidator for
 5 processing as provided in this chapter.

6 **(5) "Cybersecurity insurance" means first and third party**
 7 **coverage in a policy or endorsement written on a direct,**
 8 **admitted basis for losses and loss mitigation arising out of or**
 9 **relating to:**

- 10 **(A) data privacy breaches;**
- 11 **(B) unauthorized information network security intrusions;**
- 12 **(C) computer viruses;**
- 13 **(D) ransomware;**
- 14 **(E) cyber extortion;**
- 15 **(F) identity theft; and**
- 16 **(G) similar exposures.**

17 ~~(5)~~ **(6)** The term "high net worth insured" means the following:

18 (A) For purposes of section 11.5(a) of this chapter, an insured
 19 that has a net worth (including the aggregate net worth of the
 20 insured and all subsidiaries and affiliates of the insured,
 21 calculated on a consolidated basis) that exceeds twenty-five
 22 million dollars (\$25,000,000) on December 31 of the year
 23 immediately preceding the year in which the insurer becomes
 24 an insolvent insurer.

25 (B) For purposes of section 11.5(b) of this chapter, an insured
 26 that has a net worth (including the aggregate net worth of the
 27 insured and all subsidiaries and affiliates of the insured,
 28 calculated on a consolidated basis) that exceeds fifty million
 29 dollars (\$50,000,000) on December 31 of the year immediately
 30 preceding the year in which the insurer becomes an insolvent
 31 insurer.

32 ~~(6)~~ **(7)** The term "insolvent insurer" means (a) a member insurer
 33 holding a valid certificate of authority to transact insurance in this
 34 state either at the time the policy was issued or when the insured
 35 event occurred and (b) against whom a final order of liquidation,
 36 with a finding of insolvency, to which there is no further right of
 37 appeal, has been entered by a court of competent jurisdiction in
 38 the company's state of domicile. "Insolvent insurer" shall not be
 39 construed to mean an insurer with respect to which an order,
 40 decree, judgment or finding of insolvency whether preliminary or

temporary in nature or order to rehabilitation or conservation has been issued by any court of competent jurisdiction prior to January 1, 1972 or which is adjudicated to have been insolvent prior to that date.

(8) The term "insured" means any named insured, any additional insured, any vendor, lessor, or any other party identified as an insured under the policy.

~~(7)~~ **(9)** The term "member insurer" means any person who is licensed or holds a certificate of authority under IC 27-1-6-18 or IC 27-1-17-1 to transact in Indiana any kind of insurance for which coverage is provided under section 3 of this chapter, including the exchange of reciprocal or inter-insurance contracts. The term includes any insurer whose license or certificate of authority to transact such insurance in Indiana may have been suspended, revoked, not renewed, or voluntarily surrendered. A "member insurer" does not include farm mutual insurance companies organized and operating pursuant to IC 27-5.1 other than a company to which IC 27-5.1-2-6 applies.

~~(8)~~ **(10)** The term "net direct written premiums" means direct gross premiums written in this state on insurance policies to which this chapter applies, less return premiums thereon and dividends paid or credited to policyholders on such direct business. "Net direct premiums written" does not include premiums on contracts between insurers or reinsurers.

~~(9)~~ **(11)** The term "person" means an individual, an aggregation of individuals, a corporation, a partnership, or another entity.

(12) The term "receiver" means liquidator, rehabilitator, conservator, or ancillary receiver, as the context requires.

(13) The term "self-insurer" means a person who covers the person's liability through a qualified individual or group self-insurance program or any other formal program created for the specific purpose of covering liabilities typically covered by insurance.

(b) Notwithstanding any other provision in this chapter, an insurance policy that is issued by a member insurer and later allocated, transferred, assumed by, or otherwise made the sole responsibility of another insurer, pursuant to a state statute providing for the division of an insurance company or the statutory assumption or transfer of designated policies and under which there is no remaining obligation to the transferring entity, shall be considered to have been issued by a

1 member insurer which is an insolvent insurer for the purposes of this
 2 chapter in the event that the insurer to which the policy has been
 3 allocated, transferred, assumed by, or otherwise made the sole
 4 responsibility of is placed in liquidation.

5 (c) An insurance policy that was issued by a nonmember insurer and
 6 later allocated, transferred, assumed by, or otherwise made the sole
 7 responsibility of a member insurer under a state statute shall not be
 8 considered to have been issued by a member insurer for the purposes
 9 of this chapter.

10 SECTION 11. IC 27-6-8-5, AS AMENDED BY P.L.158-2024,
 11 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2026]: Sec. 5. There is created a nonprofit unincorporated
 13 legal entity to be known as the Indiana Insurance Guaranty Association
 14 (referred to in this chapter as the "association"). All insurers defined as
 15 member insurers in section ~~4(a)(7)~~ **4(a)(9)** of this chapter shall be and
 16 remain members of the association as a condition of their authority to
 17 transact insurance in this state. The association shall perform its
 18 functions under a plan of operation established and approved under
 19 section 8 of this chapter and shall exercise its powers through a board
 20 of directors established under section 6 of this chapter. For purposes of
 21 administration and assessment, the association shall be divided into
 22 three (3) separate accounts:

- 23 (1) The worker's compensation insurance account.
- 24 (2) The automobile insurance account.
- 25 (3) The account for all other insurance to which this chapter
 26 applies.

27 SECTION 12. IC 27-6-8-7, AS AMENDED BY P.L.52-2013,
 28 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2026]: Sec. 7. (a) The association shall do all of the following:

- 30 (1) Be obligated to pay covered claims existing before the order
 31 of liquidation, or arising within thirty (30) days after the order of
 32 liquidation, or before the policy expiration date if less than thirty
 33 (30) days after the order of liquidation, or before the insured
 34 replaces the policy or causes its cancellation, if the insured does
 35 so within thirty (30) days of the order of liquidation. The
 36 obligation shall be satisfied by paying to the claimant an amount
 37 as follows:

- 38 (A) The full amount of a covered claim for benefits under
 39 worker's compensation insurance.
- 40 (B) With respect to a claim for the return of unearned

premium, ~~the lesser of:~~ **an amount not exceeding ten thousand dollars (\$10,000) per policy for a covered claim for the return of unearned premium, but the obligation shall include only the amount of each covered claim that is in excess of fifty dollars (\$50).**

~~(i) eighty percent (80%) of the paid but unearned premium;~~
~~or~~

~~(ii) six hundred fifty dollars (\$650) multiplied by the number of months or partial months remaining in the policy term; not to exceed twelve (12) months.~~

(C) An amount not to exceed three hundred thousand dollars (\$300,000) per covered claim. For purposes of this clause, all claims of any kind that arise out of or are related to the bodily injury to or death of one (1) person constitute a single claim, regardless of the number of claims made or the number of claimants.

(D) In no event shall the association be obligated to pay an amount in excess of three hundred thousand dollars (\$300,000) for all first and third party claims under a policy or endorsement providing, or that is found to provide, cybersecurity insurance coverage and arising out of or related to a single insured event, regardless of the number of claims made or the number of claimants.

The association is not, in any event, obligated to pay a claimant any amount in excess of the obligation of the insolvent insurer under the policy or coverage from which the claim arises. **Notwithstanding any other provision in this chapter, a covered claim may not include a claim filed with the guaranty fund after the final date set by the court for the filing of claims against the liquidator or receiver of an insolvent insurer.**

In the case of a claim for wrongful death, the foregoing obligation of the association shall, in addition to the limits set forth above, be subject to the limitations provided by the wrongful death statutes of the state. Such amounts which are legally payable because of the death of a claimant shall be paid to the claimant's estate, to the claimant's father or mother or guardian, to the surviving spouse or children, or to the next of kin as set out in IC 34-23-1 and IC 34-23-2.

The amount for which the association shall be obligated may also

1 include payments in fact made to others, not members of
 2 claimant's household, which were reasonably incurred to obtain
 3 from such other persons ordinary and necessary services for the
 4 production of income in lieu of those services the claimant would
 5 have performed for the claimant had the claimant not been
 6 injured.

7 In the case of claims arising from bodily injury, sickness, or
 8 disease, including those in which death results, under IC 22-3 or
 9 similar state or federal laws providing benefits for occupational
 10 injury or disease, the association is obligated only to the extent
 11 provided under IC 22-3.

12 A third party having a covered claim against any insured of an
 13 insolvent member insurer may file such claim in the liquidation
 14 proceeding under IC 27-9-3 if such insolvent member insurer is
 15 a domestic insurer and pursuant to the applicable provisions of
 16 law of the state of domicile if such insolvent member insurer is
 17 not a domestic insurer. The liquidator shall immediately refer said
 18 claim to the association to process as provided in this chapter
 19 unless the claimant shall within thirty (30) days from the date of
 20 filing said claim in the liquidation proceeding, file with the
 21 commissioner as liquidator a written demand that said claim be
 22 processed in liquidation proceedings as a claim not covered by
 23 this chapter.

24 (2) Be deemed the insurer to the extent of its obligation on the
 25 covered claims as limited by this chapter and to this extent shall
 26 have all rights, duties, and obligations of the insolvent insurer as
 27 if the insurer had not become insolvent, including those relating
 28 to reinsurance contracts and treaties entered into by the insolvent
 29 insurer. However, the association's obligation to defend any
 30 insured of the insolvent insurer or to ~~indemnify~~ **indemnify** against
 31 the costs of such defense terminates as soon as the claimant or
 32 claimants have been paid all benefits that they are entitled to
 33 under this chapter.

34 (3) Allocate claims paid and expenses incurred among the three
 35 (3) accounts separately, and assess member insurers separately for
 36 each account amounts necessary to pay the obligation of the
 37 association under subdivision (1) subsequent to an insolvency, the
 38 expenses of handling covered claims subsequent to an insolvency,
 39 the cost of examination under IC 27-6-8-12 and other expenses
 40 authorized by this chapter. **There are two (2) classes of**

assessments as follows:

(A) Class A assessments are assessments that are authorized and called by the board for the purpose of meeting administrative and legal costs and other expenses. Class A assessments may be authorized and called whether or not related to a particular impaired insurer or insolvent insurer.

(B) Class B assessments are assessments that are authorized and called by the board to the extent necessary to carry out the powers and duties of the association under this chapter with regard to an impaired insurer or insolvent insurer.

The amount of a Class A assessment must be determined by the board and may be authorized and called on a pro rata or non-pro rata basis. If pro rata, the board may provide that the assessment be credited against future Class B assessments.

The amount of a Class B assessment ~~assessments~~ of each member insurer shall be on a uniform percentage basis in the proportion that the net direct written premiums in this state of the member insurer for the preceding calendar year on the kinds of insurance in the account bears to the net direct written premiums of all member insurers for the preceding calendar year on the kinds of insurance in the account. ~~However, in addition to the pro rata assessments already described, an assessment may be made against each member insurer in a stated amount up to fifty dollars (\$50) per year for the purpose of paying the administrative expenses of the association.~~ There shall be no Class B assessment for any account so long as assets held in such account are sufficient to cover all estimated payments for liquidation in process under such account. Each member insurer shall be notified of the assessment not later than thirty (30) days before it is due. No member insurer may be assessed in any year on any account an amount greater than one percent (1%) of that member insurer's net direct written premiums in this state for the preceding calendar year on the kinds of insurance in the account. If the maximum assessment, together with the other assets of the association in any account, does not provide in any one (1) year in any account an amount sufficient to make all necessary payments from that account, the funds available shall be prorated and the unpaid portion shall be paid as soon thereafter as funds

1 become available. The association may exempt or defer, in whole
2 or in part, the assessment of any member insurer, if the
3 assessment would cause the member insurer's financial statement
4 to reflect amounts of capital or surplus less than the minimum
5 amounts required for a certificate of authority by any jurisdiction
6 in which the member insurer is authorized to transact insurance.
7 However, during the period of deferment no dividends shall be
8 paid to shareholders or policyholders by a company whose
9 assessment has been deferred. A deferred assessment shall be
10 paid when such payment will not reduce capital or surplus below
11 required minimums. Such payments shall be refunded to those
12 companies whose assessments were increased as the result of
13 such deferment, or at the option of any such company, shall be
14 credited to future assessments against such company.

15 (4) Investigate, adjust, compromise, settle, and pay covered
16 claims to the extent of the association's obligation and deny all
17 other claims and may review settlements, releases, and judgments
18 to which the insolvent insurer or its insured were parties to
19 determine the extent to which such settlements, releases, and
20 judgments may be properly contested, and as appropriate to
21 contest them. **The association shall pay claims in any order**
22 **that it may deem reasonable, including the payment of claims**
23 **as they are received from the claimants or in groups or**
24 **categories of claims. The association shall have the right to**
25 **appoint and to direct legal counsel retained under liability**
26 **insurance policies for the defense of covered claims and to**
27 **appoint and direct other service providers for covered**
28 **services.**

29 (5) Notify such persons as the commissioner directs under
30 IC 27-6-8-9(b)(i).

31 (6) Handle claims through its employees or through one (1) or
32 more insurers or other persons designated as servicing facilities.
33 Designation of a servicing facility is subject to the approval of the
34 commissioner, but such designation may be declined by a member
35 insurer.

36 (7) Reimburse each servicing facility for obligations of the
37 association paid by the facility and for expenses incurred by the
38 facility while handling claims on behalf of the association and
39 shall pay the other expenses of the association authorized by this
40 chapter. Any unreimbursed obligation of the association to a

1 member insurer designated a servicing facility shall constitute an
2 admitted asset of such member insurer.

3 (8) Be entitled to and permitted to examine all claims, files, and
4 records of an insolvent insurer at such times and to such extent as
5 necessary or appropriate to obtain information regarding covered
6 claims individually and in the aggregate, and to establish such
7 procedures as appropriate to obtain prompt notice of all covered
8 claims and information pertaining thereto during the course of
9 liquidation.

10 **(9) Have the right to review and contest, as set forth in this**
11 **subsection, settlements, releases, compromises, waivers, and**
12 **judgments to which the insolvent insurer or its insureds were**
13 **parties before the entry of the order of liquidation. In an**
14 **action to enforce settlements, releases, and judgments to**
15 **which the insolvent insurer or its insureds were parties before**
16 **the entry of the order of liquidation, the association shall have**
17 **the right to assert the following defenses, in addition to the**
18 **defenses available to the insurer:**

19 (A) The association is not bound by a settlement, release,
20 compromise, or waiver executed by an insured or the
21 insurer or any judgment entered against an insured or the
22 insurer by consent or through a failure to exhaust all
23 appeals, if the settlement, release, compromise, waiver, or
24 judgment was:

25 (i) executed or entered within one hundred twenty (120)
26 days before the entry of an order of liquidation and the
27 insured or insurer did not use reasonable care in
28 entering into the settlement, release, compromise,
29 waiver, or judgment or did not pursue all reasonable
30 appeals of an adverse judgment; or

31 (ii) executed by or taken against an insured or the
32 insurer based on default, fraud, collusion, or the
33 insurer's failure to defend.

34 (B) If a court of competent jurisdiction finds that the
35 association is not bound by a settlement, release,
36 compromise, waiver, or judgment for the reasons
37 described in clause (A), the settlement, release,
38 compromise, waiver, or judgment shall be set aside and the
39 association shall be permitted to defend any covered claim
40 on the merits. The settlement, release, compromise, waiver,

1 or judgment may not be considered as evidence of liability
2 or damages in connection with any claim brought against
3 the association or any other party under this chapter.

4 (C) The association shall have the right to assert any
5 statutory defenses or rights of offset against any
6 settlement, release, compromise, or waiver executed by an
7 insured or the insurer or any judgment taken against the
8 insured or the insurer.

9 (10) As to any covered claims arising from a judgment under
10 any decision, verdict, or finding based on the default of the
11 insolvent insurer or its failure to defend, the association,
12 either on its own behalf or on behalf of an insured, may apply
13 to have the judgment, order, decision, verdict, or finding set
14 aside by the same court or administrator that entered the
15 judgment, order, decision, verdict, or finding and shall be
16 permitted to defend the claim on the merits.

17 (b) The association may do the following:

18 (1) Appear in, defend, and appeal any action on a covered claim,
19 but the association shall have no obligation to pay any amount in
20 excess of the provisions of IC 27-6-8-7.

21 (2) Employ or retain such persons as are necessary to handle
22 claims and perform other duties of the association.

23 (3) Borrow funds necessary to effect the purposes of this chapter
24 in accord with the plan of operation.

25 (4) Sue or be sued.

26 (5) Negotiate and become a party to any contracts as are
27 necessary to carry out the purpose of this chapter.

28 (6) Perform such other acts as are necessary or proper to
29 effectuate the purpose of this chapter.

30 (7) Refund to the then member insurers in proportion to the
31 contribution of each such member insurer to that account that
32 amount by which the assets of the account exceed the liabilities
33 if, at the end of the calendar year, the board of directors finds that
34 the assets of the association in any account exceed the liabilities
35 of that account as estimated by the board of directors for the
36 coming year, provided that the association may retain as a reserve
37 fund from the excess of the assets over liabilities at the end of any
38 calendar year an amount not to exceed ten percent (10%) of such
39 excess assets of such account. Any such reserve fund or earnings
40 from its investment shall be used only for the payment of covered

claims and authorized association expenses. Upon appropriate action by the board of directors such reserve fund shall be refunded to the then member insurers in proportion to the total contribution of each such member insurer to such account.

(c) The following apply with respect to an action involving the association:

(1) Except for an action by the receiver, an action related to or arising out of this chapter against the association must be brought in an Indiana court.

(2) Indiana courts have exclusive jurisdiction over all actions against the association related to or arising out of this chapter.

(3) The exclusive venue for an action by or against the association is in the Marion County Circuit Court, Marion County, Indiana. However, the association may waive this venue for a particular action.

SECTION 13. IC 27-6-8-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 9. (a) The commissioner shall:

(i) Notify the association of the existence of an insolvent insurer not later than three (3) working days after the commissioner receives an order of liquidation.

(ii) Upon request of the board of directors, provide the association with a statement of the net direct written premiums of each member insurer.

(b) The commissioner may:

(i) Require that the association notify the insureds of the insolvent insurer and any other interested parties of the order of liquidation and of their rights under this chapter. This notification shall be by mail at their last known address, where available, but if sufficient information for notification by mail is not available, notice by publication in a newspaper of general circulation in all counties in which the insolvent insurer transacted insurance business shall be sufficient.

(ii) Require each insurance producer of the insolvent insurer to give prompt written notice by first class mail of such insolvency and the rights of the insured under this chapter to each insured of the insolvent insurer for whom the insurance producer is insurance producer of record, at such insured's last known address.

(iii) Suspend or revoke, after notice and hearing, the certificate of

1 authority to transact insurance in this state of any member insurer
2 which fails to pay an assessment when due or fails to comply with
3 the plan of operation. As an alternative, the commissioner may
4 levy a fine on any member insurer which fails to pay an
5 assessment when due. The fine shall not exceed five percent (5%)
6 of the unpaid assessment per month, except that no fine shall be
7 less than one hundred dollars (\$100) per month.

8 (iv) Revoke the designation of any servicing facility if the
9 commissioner finds claims are being handled unsatisfactorily.

10 (v) Any final action or order of the commissioner under this
11 chapter shall be subject to judicial review in a court of competent
12 jurisdiction.

13 **(c) If the commissioner determines that any member insurer**
14 **may be subject to a future delinquency proceeding under IC 27-9,**
15 **the commissioner may do the following to assist in the performance**
16 **of the commissioner's duties:**

17 **(1) Share confidential and privileged documents, material, or**
18 **information reported under an enterprise risk filing with the**
19 **association regarding the member insurer.**

20 **(2) Share confidential and privileged documents, material, the**
21 **contents of an examination report, a preliminary examination**
22 **report or its results, or any matter relating thereto, including**
23 **working papers, recorded information, documents, and copies**
24 **thereof produced by, obtained by, or disclosed to the**
25 **commissioner or to any other person in the course of any**
26 **examination with the association regarding the member**
27 **insurer.**

28 **(3) Disclose the information described in this subsection to the**
29 **association so long as the association agrees in writing to hold**
30 **the information confidential in a manner consistent with this**
31 **chapter and uses the information to prepare for the possible**
32 **liquidation of the member insurer. Access to the information**
33 **disclosed by the commissioner to the association under this**
34 **subsection shall be limited to the association's staff and its**
35 **counsel. The board of directors of the association may have**
36 **access to the information disclosed by the commissioner to the**
37 **association once the member insurer is subject to a**
38 **delinquency proceeding under IC 27-9, subject to any terms**
39 **and conditions established by the commissioner.**

40 **(4) Disclose the information described in this subsection with**

1 associations in other states and with any organization of one
 2 (1) or more state associations of similar purposes so long as
 3 the recipient of the information agrees in writing to hold the
 4 information confidential in a manner consistent with this
 5 chapter and uses the information to prepare for the possible
 6 liquidation of the member insurer. Access to the information
 7 disclosed by the commissioner under this subsection shall be
 8 limited to the association's staff and its counsel. The board of
 9 directors of the association may have access to the
 10 information disclosed by the commissioner to the association
 11 once the member insurer is subject to a delinquency
 12 proceeding under IC 27-9, subject to any terms and conditions
 13 established by the commissioner.

14 (5) If the commissioner determines that a liquidation is likely,
 15 the commissioner may cooperate with the association and
 16 with any organization of one (1) or more state associations of
 17 similar purposes to provide for an orderly transition to
 18 liquidation to minimize any delay in the handling and
 19 payment of claims.

20 SECTION 14. IC 27-6-8-11.5, AS AMENDED BY P.L.158-2024,
 21 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2026]: Sec. 11.5. (a) The association is not obligated to pay
 23 a first party claim by a high net worth insured described in section
 24 ~~4(a)(5)(A)~~ **4(a)(6)(A)** of this chapter.

25 (b) The association has the right to recover from a high net worth
 26 insured described in section ~~4(a)(5)(B)~~ **4(a)(6)(B)** of this chapter all
 27 amounts paid by the association to or on behalf of the high net worth
 28 insured, regardless of whether the amounts were paid for indemnity,
 29 defense, or otherwise.

30 (c) The association is not obligated to pay a claim that:

- 31 (1) would otherwise be a covered claim;
- 32 (2) is an obligation to or on behalf of a person who has a net
 33 worth greater than the net worth allowed by the insurance
 34 guaranty association law of the state of residence of the claimant
 35 at the time specified by the applicable law of the state of
 36 residence of the claimant; and
- 37 (3) has been denied by the association of the state of residence of
 38 the claimant on the basis described in subdivision (2).

39 (d) **The association may also, at its sole discretion and without**
 40 **assumption of any ongoing duty to do so, pay any third party**

claims or cybersecurity insurance obligations covered by a policy or endorsement of an insolvent company on behalf of a high net worth insured. In that case, the association shall recover from the high net worth insured under this section all amounts paid on its behalf, all allocated claim adjusted expenses relating to the claims, the association's attorney's fees, and all court costs in any action necessary to collect the full amount to the association's reimbursement under this section.

~~(d)~~ (e) The association shall establish reasonable procedures, subject to the approval of the commissioner, for requesting financial information from insureds:

- (1) on a confidential basis; and
- (2) in the application of this section.

~~(e)~~ (f) The procedures established under subsection ~~(d)~~ (e) must provide for sharing of the financial information obtained from insureds with:

- (1) any other association that is similar to the association; and
- (2) the liquidator for an insolvent insurer;

on the same confidential basis.

~~(f)~~ (g) If an insured refuses to provide financial information that is:

- (1) requested under the procedures established under subsection ~~(d)~~; (e); and
- (2) available;

the association may, until the time that the financial information is provided to the association, consider the insured to be a high net worth insured for purposes of subsections (a) and (b).

~~(g)~~ (h) In an action contesting the applicability of this section to an insured that refuses to provide financial information under the procedures established under subsection ~~(d)~~; (e), the insured bears the burden of proof concerning the insured's net worth at the relevant time. If the insured fails to prove that the insured's net worth at the relevant time was less than the applicable amount set forth in section ~~4(a)(5)(A)~~ **4(a)(6)(A)** or ~~4(a)(5)(B)~~ **4(a)(6)(B)** of this chapter, the court shall award to the association the association's full costs, expenses, and reasonable attorney's fees incurred in contesting the claim.

SECTION 15. IC 27-6-8-20 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 20. (a) The association may join one (1) or more organizations of other state associations of similar purposes to further the purposes and administer the powers and duties of the**

1 **association. The association may designate one (1) or more of these**
 2 **organizations to:**

3 **(1) act as a liaison for the association; and**

4 **(2) to the extent the association authorizes, bind the**
 5 **association in agreements or settlements with receivers of**
 6 **insolvent insurance companies or their designated**
 7 **representatives.**

8 **(b) The association, in cooperation with other obligated or**
 9 **potentially obligated guaranty associations or their designated**
 10 **representatives, shall make all reasonable efforts to coordinate and**
 11 **cooperate with receivers or their designated representatives in the**
 12 **most efficient and uniform manner, including the use of Uniform**
 13 **Data Standards as promulgated or approved by the National**
 14 **Association of Insurance Commissioners.**

15 SECTION 16. IC 27-7-5-2, AS AMENDED BY P.L.130-2020,
 16 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2026]: Sec. 2. (a) Except as provided in subsections (d), (f),
 18 and (h), the insurer shall make available, in each automobile liability
 19 or motor vehicle liability policy of insurance which is delivered or
 20 issued for delivery in this state with respect to any motor vehicle
 21 registered or principally garaged in this state, insuring against loss
 22 resulting from liability imposed by law for bodily injury or death
 23 suffered by any person and for injury to or destruction of property to
 24 others arising from the ownership, maintenance, or use of a motor
 25 vehicle, or in a supplement to such a policy, the following types of
 26 coverage:

27 (1) in limits for bodily injury or death and for injury to or
 28 destruction of property not less than those set forth in IC 9-25-4-5
 29 under policy provisions approved by the commissioner of
 30 insurance, for the protection of persons insured under the policy
 31 who are legally entitled to recover damages from owners or
 32 operators of uninsured or underinsured motor vehicles because of
 33 bodily injury, sickness or disease, including death, and for the
 34 protection of persons insured under the policy who are legally
 35 entitled to recover damages from owners or operators of
 36 uninsured motor vehicles for injury to or destruction of property
 37 resulting therefrom; or

38 (2) in limits for bodily injury or death not less than those set forth
 39 in IC 9-25-4-5 under policy provisions approved by the
 40 commissioner of insurance, for the protection of persons insured

1 under the policy provisions who are legally entitled to recover
2 damages from owners or operators of uninsured or underinsured
3 motor vehicles because of bodily injury, sickness or disease,
4 including death resulting therefrom.

5 The uninsured and underinsured motorist coverages must be provided
6 by insurers for either a single premium or for separate premiums, in
7 limits at least equal to the limits of liability specified in the bodily
8 injury liability provisions of an insured's policy, unless such coverages
9 have been rejected in writing by the insured. However, underinsured
10 motorist coverage must be made available in limits of not less than fifty
11 thousand dollars (\$50,000). At the insurer's option, the bodily injury
12 liability provisions of the insured's policy may be required to be equal
13 to the insured's underinsured motorist coverage. Insurers may not sell
14 or provide underinsured motorist coverage in an amount less than fifty
15 thousand dollars (\$50,000). Insurers must make underinsured motorist
16 coverage available to all existing policyholders on the date of the first
17 renewal of existing policies that occurs on or after January 1, 1995, and
18 on any policies newly issued or delivered on or after January 1, 1995.
19 Uninsured motorist coverage or underinsured motorist coverage may
20 be offered by an insurer in an amount exceeding the limits of liability
21 specified in the bodily injury and property damage liability provisions
22 of the insured's policy.

23 (b) A named insured of an automobile or motor vehicle liability
24 policy has the right, in writing, to:

- 25 (1) reject both the uninsured motorist coverage and the
26 underinsured motorist coverage provided for in this section; or
27 (2) reject either the uninsured motorist coverage alone or the
28 underinsured motorist coverage alone, if the insurer provides the
29 coverage not rejected separately from the coverage rejected.

30 A rejection of coverage under this subsection by a named insured is a
31 rejection on behalf of all other named insureds, all other insureds, and
32 all other persons entitled to coverage under the policy. No insured may
33 have uninsured motorist property damage liability insurance coverage
34 under this section unless the insured also has uninsured motorist bodily
35 injury liability insurance coverage under this section. Following
36 rejection of either or both uninsured motorist coverage or underinsured
37 motorist coverage, unless later requested in writing, the insurer need
38 not offer uninsured motorist coverage or underinsured motorist
39 coverage in or supplemental to a renewal or replacement policy issued
40 to the same insured by the same insurer or a subsidiary or an affiliate

of the originally issuing insurer. Renewals of policies issued or delivered in this state which have undergone interim policy endorsement or amendment do not constitute newly issued or delivered policies for which the insurer is required to provide the coverages described in this section.

(c) A rejection under subsection (b) must specify:

(1) that the named insured is rejecting:

(A) the uninsured motorist coverage;

(B) the underinsured motorist coverage; or

(C) both the uninsured motorist coverage and the underinsured motorist coverage;

that would otherwise be provided under the policy; and

(2) the date on which the rejection is effective.

(d) The following apply to the coverage described in subsection (a) in connection with a commercial umbrella or excess liability policy, including a commercial umbrella or excess liability policy that is issued or delivered to a motor carrier (as defined in IC 8-2.1-17-10) that is in compliance with the minimum levels of financial responsibility set forth in 49 CFR Part 387:

(1) An insurer is not required to make available in a commercial umbrella or excess liability policy the coverage described in subsection (a).

(2) An insurer that, through a rider or an endorsement, reduces or removes from a commercial umbrella or excess liability policy the coverage described in subsection (a) shall:

(A) through the United States mail; or

(B) by electronic means;

provide to the named insured written notice of the reduction or removal.

(3) An insurer that makes available in a commercial umbrella or excess liability policy the coverage described in subsection (a):

(A) may make available the coverage in limits determined by the insurer; and

(B) is not required to make available the coverage in limits equal to the limits specified in the commercial umbrella or excess liability policy.

(e) A rejection under subsection (b) of uninsured motorist coverage or underinsured motorist coverage in an underlying commercial policy of insurance is also a rejection of uninsured motorist coverage or underinsured motorist coverage in a commercial umbrella or excess

1 liability policy.

2 (f) An insurer is not required to make available the coverage
3 described in subsection (a) in connection with coverage that:

4 (1) is related to or included in a commercial policy of property
5 and casualty insurance described in Class 2 or Class 3 of
6 IC 27-1-5-1; and

7 (2) covers a loss related to a motor vehicle:

8 (A) of which the insured is not the owner; and

9 (B) that is used:

10 (i) by the insured or an agent of the insured; and

11 (ii) for purposes authorized by the insured.

12 (g) For purposes of subsection (f), "owner" means:

13 (1) a person who holds the legal title to a motor vehicle;

14 (2) a person who rents or leases a motor vehicle and has exclusive
15 use of the motor vehicle for more than thirty (30) days;

16 (3) the conditional vendee or lessee under an agreement for the
17 conditional sale or lease of a motor vehicle; or

18 (4) the mortgagor under an agreement for the conditional sale or
19 lease of a motor vehicle under which the mortgagor has:

20 (A) the right to purchase; and

21 (B) an immediate right of possession of;

22 the motor vehicle upon the performance of the conditions stated
23 in the agreement.

24 (h) The following apply to the coverage described in subsection (a)
25 in relation to a personal umbrella or excess liability policy:

26 (1) An insurer is not required to make available the coverage
27 described in subsection (a) under a personal umbrella or excess
28 liability policy.

29 (2) An insurer that reduces or removes, through a rider or an
30 endorsement, coverage described in subsection (a) under a
31 personal umbrella or excess liability policy shall:

32 (A) through the United States mail; or

33 (B) by electronic means;

34 provide to the named insured written notice of the reduction or
35 removal.

36 (3) An insurer that makes available the coverage described in
37 subsection (a) under a personal umbrella or excess liability
38 policy:

39 (A) may make available the coverage in limits determined by
40 the insurer; and

1 (B) is not required to make available the coverage in limits
 2 equal to the limits specified in the personal umbrella or excess
 3 liability policy.

4 (4) A rejection under subsection (b) of uninsured motorist
 5 coverage or underinsured motorist coverage in an underlying
 6 personal policy of insurance is also a rejection of uninsured
 7 motorist coverage or underinsured motorist coverage in a personal
 8 umbrella or excess liability policy.

9 **(i) A policy of insurance that provides coverage in excess of any**
 10 **liability relating to a self-insured retention amount shall be**
 11 **considered a commercial umbrella or excess liability policy under**
 12 **subsection (d)."**

13 Page 2, line 18, delete "after June" and insert "**on or after January**
 14 **1, 2027.**".

15 Page 2, delete line 19.

16 Page 2, line 24, delete "sixty (60)" and insert "**thirty (30)**".

17 Page 3, delete lines 6 through 42.

18 Page 4, delete lines 1 through 13, begin a new paragraph and insert:
 19 "SECTION 18. IC 27-7-12-1 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) **Except as**
 21 **provided in subsection (b),** this chapter applies to policies of
 22 insurance covering risks to property located in Indiana that take effect
 23 or are renewed after June 30, 2001, and that insure loss of or damage
 24 to:

25 (1) real property consisting of not more than four (4) residential
 26 units, one (1) of which is the principal place of residence of the
 27 named insured; or

28 (2) personal property:

29 (A) in which the named insured has an insurable interest; and

30 (B) that is used within a residential dwelling for personal,
 31 family, or household purposes.

32 **(b) Section 4 of this chapter, as amended in the 2026 session of**
 33 **the general assembly, and section 6.5 of this chapter, as added in**
 34 **the 2026 session of the general assembly, apply to policies of**
 35 **insurance described in subsection (a) that are issued, delivered,**
 36 **amended, or renewed on or after January 1, 2027.**

37 ~~(b)~~ (c) This chapter does not apply to the following:

38 (1) A policy of inland marine insurance.

39 (2) The cancellation or nonrenewal of an automobile insurance
 40 policy under IC 27-7-6.

(3) The cancellation or nonrenewal of a commercial property and casualty insurance policy under IC 27-1-31-2.5.

SECTION 19. IC 27-7-12-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. **(a) As used in this chapter, "aerial image" means an image of a named insured's property captured from an airborne platform.**

~~(a)~~ **(b)** As used in this chapter, "cancellation" refers to a termination of property insurance coverage that occurs during the policy term.

~~(b)~~ **(c)** As used in this chapter, "nonpayment of premium" means the failure of the named insured to discharge any obligation in connection with the payment of premiums on policies of insurance subject to this chapter, regardless of whether the payments are directly payable to the insurer or its agent or indirectly payable under a premium finance plan or extension of credit. The term includes the failure to pay dues or fees where payment of the dues or fees is a prerequisite to obtaining or continuing property insurance coverage.

~~(c)~~ **(d)** As used in this chapter, "nonrenewal" or "nonrenewed" refers to a termination of property insurance coverage that occurs at the end of the policy term.

~~(d)~~ **(e)** As used in this chapter, "renewal" or "to renew" refers to:

(1) the issuance and delivery by an insurer at the end of a policy period of a policy superseding a policy previously issued and delivered by the same insurer; or

(2) the issuance and delivery of a certificate or notice extending the term of an existing policy beyond its policy period or term.

~~(e)~~ **(f)** As used in this chapter, "termination" means a cancellation or nonrenewal. The term does not include:

(1) the requirement of a reasonable deductible;

(2) reasonable changes in the amount of insurance; or

(3) reasonable reductions in policy limits or coverage;

if the requirements or changes are directly related to the hazard involved and are made on the renewal date for the policy. The term does not include a transfer of a policy to another insurer.

SECTION 20. IC 27-7-12-4, AS AMENDED BY P.L.196-2021, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) Notice of nonrenewal by an insurer must:

(1) be in writing;

(2) be 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

1 expiration of the current policy period;

2 (4) upon request of the named insured, be accompanied by a
3 written explanation of the specific reasons for the nonrenewal;

4 **and**

5 (5) be mailed to the named insured at least ~~twenty (20)~~ **sixty (60)**
6 days before the expiration of the current policy period; **and**

7 **(6) comply with section 6.5(a)(1) of this chapter if the insurer**
8 **used aerial images as the sole reason for nonrenewing a**
9 **policy.**

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

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

17 (1) the named insured is transferred from an insurer to an affiliate
18 of the insurer for future coverage; and

19 (2) the transfer results in the same or broader coverage.

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

24 SECTION 21. IC 27-7-12-6.5 IS ADDED TO THE INDIANA
25 CODE AS A NEW SECTION TO READ AS FOLLOWS
26 [EFFECTIVE JULY 1, 2026]: **Sec. 6.5. (a) When utilizing aerial**
27 **images as the sole reason for nonrenewing a policy, an insurer shall**
28 **do the following:**

29 **(1) Ensure that the nonrenewal notice sent to the named**
30 **insured under section 4 of this chapter includes information**
31 **about how the named insured can request to review copies of**
32 **the images of the property that were used to make the**
33 **decision. Photos must have been taken within the past**
34 **twenty-four (24) months.**

35 **(2) Establish a point of contact and a process for a named**
36 **insured to use to provide documentation of completion of the**
37 **required work that the insurer communicates to the named**
38 **insured under subdivision (1). The documentation must be**
39 **used by the insurer in considering whether to uphold or**
40 **reverse the nonrenewal.**

1 **(3) Establish an appeal process that allows the named insured**
 2 **to correct any errors or misunderstandings related to the**
 3 **nonrenewal.**

4 **(4) Provide the named insured at least sixty (60) days to cure**
 5 **the defects or conditions underlying a nonrenewal after the**
 6 **date the insurer identifies the specific conditions under**
 7 **subdivision (1). An insurer shall have the right to assess the**
 8 **work used to cure the defects or conditions to ensure they**
 9 **have been corrected in a manner that meets the standards**
 10 **originally communicated by the insurer under subdivision (1).**

11 **(5) Offer a renewal policy to a named insurer who submits**
 12 **proof that they have cured the defects or conditions identified**
 13 **under subdivision (1). However, an insurer may nonrenew the**
 14 **policy only for a reason unrelated to the defects or conditions**
 15 **identified under subdivision (1).**

16 **(b) The department shall adopt rules under IC 4-22-2 to**
 17 **effectuate the provisions of this section."**

18 Page 5, after line 25, begin a new paragraph and insert:

19 "SECTION 25. IC 34-30-2.1-402, AS ADDED BY P.L.105-2022,
 20 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2026]: Sec. 402. IC 27-1-3-22 (Concerning persons **or**
 22 **entities** reporting fraudulent insurance acts).".

23 Renumber all SECTIONS consecutively.

(Reference is to HB 1260 as introduced.)