



Adopted	Rejected
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## COMMITTEE REPORT

YES: 12  
NO: 0

### MR. SPEAKER:

*Your Committee on Insurance, to which was referred House Bill 1260, 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:*

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).

(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:

11 (A) an application for the issuance of an insurance policy;  
12 (B) the rating of an insurance policy;  
13 (C) a claim for payment or benefit under an insurance policy;  
14 (D) premiums paid on an insurance policy;  
15 (E) payments made in accordance with the terms of an  
16 insurance policy;  
17 (F) an application for a certificate of authority;  
18 (G) the financial condition of an insurer, a reinsurer, or a  
19 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).

26 (3) Removes or attempts to remove:

27 (A) the assets;

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

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

36 (4) Diverts, attempts to divert, or conspires to divert funds of an  
37 insurer, a reinsurer, another entity regulated under the Indiana  
38 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.**

**(e) (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) through (7).**

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

1 of this section, a party is "substantially justified" in initiating a civil  
2 action if the action had a reasonable basis in law or fact at the time the  
3 action was initiated.

4

(b) If:

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

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

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

### **Non-program Affiliated Individual**

21	Data Set	Per Quarter	Per Year
22	Member Eligibility	\$1,000	\$4,000
23	Medical Claims	\$1,500	\$6,000
24	Pharmacy Claims	\$ 500	\$2,000
25	<b>Hospital Encounters</b>		
26	Inpatient	\$1,500	\$6,000
27	Outpatient	\$1,250	\$5,000
28	Emergency Dept.	\$1,250	\$5,000

## **Commercial Entity (Non-redistribution)**

30	<b>Data Set</b>	<b>Per Quarter</b>	<b>Per Year</b>
31	<b>Member Eligibility</b>	<b>\$1,500</b>	<b>\$6,000</b>
32	<b>Medical Claims</b>	<b>\$2,250</b>	<b>\$9,000</b>
33	<b>Pharmacy Claims</b>	<b>\$ 750</b>	<b>\$3,000</b>
34	<b>Hospital Encounters</b>		
35	<b>Inpatient</b>	<b>\$2,250</b>	<b>\$9,000</b>
36	<b>Outpatient</b>	<b>\$1,875</b>	<b>\$7,500</b>
37	<b>Emergency Dept.</b>	<b>\$1,875</b>	<b>\$7,500</b>

### **Nonprofit/Educational Entity**

1	Data Set	Per Quarter	Per Year
2	Member Eligibility	\$ 250	\$1,000
3	Medical Claims	\$ 375	\$1,500
4	Pharmacy Claims	\$ 125	\$ 500
5	<b>Hospital Encounters</b>		
6	Inpatient	\$ 375	\$1,500
7	Outpatient	\$ 312.50	\$1,250
8	Emergency Dept.	\$ 312.50	\$1,250
9	<b>Commercial Redistributor (Resellers)</b>		
10	Data Set	Per Quarter	Per Year
11	Member Eligibility	\$2,500	\$10,000
12	Medical Claims	\$3,750	\$15,000
13	Pharmacy Claims	\$1,250	\$5,000
14	<b>Hospital Encounters</b>		
15	Inpatient	\$3,750	\$15,000
16	Outpatient	\$3,125	\$12,500
17	Emergency Dept.	\$3,125	\$12,500

1       **research findings will be released to the public at no cost to the**  
2       **reader.**

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

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

10      (b) This chapter does not apply to:

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

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

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

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

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

24       **(1) boats;**

25       **(2) inland marine;**

26       **(3) motorcycles;**

27       **(4) off-road vehicles;**

28       **(5) recreational vehicles;**

29       **(6) trailers;**

30       **(7) fleets;**

31       **(8) antique or collector vehicles;**

32       **(9) classic vehicles;**

33       **(10) specialty vehicles; or**

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

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

1       policy" means a policy that provides:

2           (1) coverage for:

3              (A) damage to or the destruction of:

4                (i) a structure; or

5                (ii) a unit within a structure;

6              that is used as a residence by one (1) or more individuals; and

7              (B) damage to or the loss of personal property that is present  
8              in the structure or unit described in clause (A);

9              caused by perils such as fire, hail, and lightning; and

10             (2) coverage against the civil liability of the policyholder arising  
11             from bodily injury or property damage incurred by others.

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

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

14           SECTION 7. IC 27-2-28-6, AS ADDED BY P.L.226-2023,

15           SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
16           JULY 1, 2026]: Sec. 6. (a) As used in this chapter, "material change"

17           means

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

19            (2) **another adverse or unfavorable change in the terms of coverage or amount of;**

20           **insurance in connection with a personal automobile or homeowner's policy.**

21           (b) The term does not include the following:

22            (1) An increase in the insurer's filed rate plan and automatic inflationary increases.

23            (2) An additional premium due to a change initiated by the insured, such as:

24              (A) adding or removing vehicles or drivers;

25              (B) adding an endorsement;

26              (C) adding additional coverages;

27              (D) adding covered premises; or

(E) increasing coverage limits or deductibles.

(3) An additional premium due to a change in risk exposure as a result of the insured's participation in a usage based or telematics insurance program.

(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

1       of direct insurance except:

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

3           (2) mortgage guaranty, financial guaranty, or other forms of

4           insurance offering protection against investment risks;

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

6           (4) credit insurance, vendors' single interest insurance, or

7           collateral protection insurance or similar insurance with the

8           primary purpose of protecting the interests of a creditor arising

9           out of a creditor-debtor transaction;

10          (5) **other than coverages that may be set forth in a**

11          **cybersecurity insurance policy**, warranty or service contract

12          insurance, **including insurance that provides:**

13           **(A) for the repair, replacement, or service of goods or**

14           **property;**

15           **(B) indemnification for repair, replacement, or service for**

16           **the operational or structural failure of the goods or**

17           **property due to a defect in materials, workmanship, or**

18           **normal wear and tear; or**

19           **(C) reimbursement for the liability incurred by the issuer**

20           **of agreements or service contracts that provide the benefits**

21           **described in clauses (A) and (B);**

22           (6) title insurance;

23           (7) ocean marine insurance;

24           (8) a transaction between a person or an affiliate of a person and

25           an insurer or an affiliate of an insurer that involves the transfer of

26           investment or credit risk without a transfer of insurance risk;

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

28           and

29           (10) insurance written on a retroactive basis to cover known

30           losses for which a claim has already been made and the claim is

31           known to the insurer at the time the insurance is bound.

32          SECTION 10. IC 27-6-8-4, AS AMENDED BY P.L.158-2024,

33          SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

34          JULY 1, 2026]: Sec. 4. (a) As used in this chapter, unless otherwise

35          provided:

36           (1) The term "account" means any one (1) of the three (3)

37           accounts created by section 5 of this chapter.

38           (2) The term "association" means the Indiana Insurance Guaranty

1 Association created by section 5 of this chapter.

4 (4) The term "covered claim" means an unpaid claim which arises  
5 out of and is within the coverage and not in excess of the  
6 applicable limits of an insurance policy to which this chapter  
7 applies issued by an insurer, if the insurer becomes an insolvent  
8 insurer after the effective date (January 1, 1972) of this chapter  
9 and (a) the claimant or insured is a resident of this state at the  
10 time of the insured event or (b) the property from which the claim  
11 arises is permanently located in this state. "Covered claim" shall  
12 be limited as provided in section 7 of this chapter, and shall not  
13 include the following:

14 (A) Any amount due any reinsurer, insurer, insurance pool, or  
15 underwriting association, as subrogation recoveries or  
16 otherwise. However, a claim for any such amount, asserted  
17 against a person insured under a policy issued by an insurer  
18 which has become an insolvent insurer, which if it were not a  
19 claim by or for the benefit of a reinsurer, insurer, insurance  
20 pool or underwriting association, would be a "covered claim"  
21 may be filed directly with the receiver or liquidator of the  
22 insolvent insurer, but in no event may any such claim be  
23 asserted in any legal action against the insured of such  
24 insolvent insurer.

25 (B) Any supplementary obligation including but not limited to  
26 adjustment fees and expenses, attorney fees and expenses,  
27 court costs, interest and bond premiums, whether arising as a  
28 policy benefit or otherwise, prior to the appointment of a  
29 liquidator.

30 (C) Any unpaid claim that is filed with the association after the  
31 final date set by the court for the filing of claims against the  
32 liquidator or receiver of an insolvent insurer. For the purpose  
33 of filing a claim under this clause, notice of a claim to the  
34 liquidator of the insolvent insurer is considered to be notice to  
35 the association or the agent of the association and a list of  
36 claims must be periodically submitted to the association (or  
37 another state's association that is similar to the association) by  
38 the liquidator.

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

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

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

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

**(H) Any claim filed with the association or a liquidator for protection afforded under the insured's policy for incurred but not reported losses.**

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

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

(A) data privacy breaches;

(B) unauthorized information network security intrusions;

(C) computer viruses;

(D) ransomware;

(E) cyber extortion;

(F) identity theft; and

(G) similar exposures.

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

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

(B) For purposes of section 11.5(b) of this chapter, an insured that has a net worth (including the aggregate net worth of the insured and all subsidiaries and affiliates of the insured,

5                 (6) (7) The term "insolvent insurer" means (a) a member insurer  
6 holding a valid certificate of authority to transact insurance in this  
7 state either at the time the policy was issued or when the insured  
8 event occurred and (b) against whom a final order of liquidation,  
9 with a finding of insolvency, to which there is no further right of  
10 appeal, has been entered by a court of competent jurisdiction in  
11 the company's state of domicile. "Insolvent insurer" shall not be  
12 construed to mean an insurer with respect to which an order,  
13 decree, judgment or finding of insolvency whether preliminary or  
14 temporary in nature or order to rehabilitation or conservation has  
15 been issued by any court of competent jurisdiction prior to  
16 January 1, 1972 or which is adjudicated to have been insolvent  
17 prior to that date.

21           (7) (9) The term "member insurer" means any person who is  
22           licensed or holds a certificate of authority under IC 27-1-6-18 or  
23           IC 27-1-17-1 to transact in Indiana any kind of insurance for  
24           which coverage is provided under section 3 of this chapter,  
25           including the exchange of reciprocal or inter-insurance contracts.  
26           The term includes any insurer whose license or certificate of  
27           authority to transact such insurance in Indiana may have been  
28           suspended, revoked, not renewed, or voluntarily surrendered. A  
29           "member insurer" does not include farm mutual insurance  
30           companies organized and operating pursuant to IC 27-5.1 other  
31           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.

38 (9) (11) The term "person" means an individual, an aggregation

1 of individuals, a corporation, a partnership, or another entity.

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

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

9 (b) Notwithstanding any other provision in this chapter, an  
10 insurance policy that is issued by a member insurer and later allocated,  
11 transferred, assumed by, or otherwise made the sole responsibility of  
12 another insurer, pursuant to a state statute providing for the division of  
13 an insurance company or the statutory assumption or transfer of  
14 designated policies and under which there is no remaining obligation  
15 to the transferring entity, shall be considered to have been issued by a  
16 member insurer which is an insolvent insurer for the purposes of this  
17 chapter in the event that the insurer to which the policy has been  
18 allocated, transferred, assumed by, or otherwise made the sole  
19 responsibility of is placed in liquidation.

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

25 SECTION 11. IC 27-6-8-5, AS AMENDED BY P.L.158-2024,  
26 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
27 JULY 1, 2026]: Sec. 5. There is created a nonprofit unincorporated  
28 legal entity to be known as the Indiana Insurance Guaranty Association  
29 (referred to in this chapter as the "association"). All insurers defined as  
30 member insurers in section 4(a)(7) 4(a)(9) of this chapter shall be and  
31 remain members of the association as a condition of their authority to  
32 transact insurance in this state. The association shall perform its  
33 functions under a plan of operation established and approved under  
34 section 8 of this chapter and shall exercise its powers through a board  
35 of directors established under section 6 of this chapter. For purposes of  
36 administration and assessment, the association shall be divided into  
37 three (3) separate accounts:

38 (1) The worker's compensation insurance account.

- (2) The automobile insurance account.
- (3) The account for all other insurance to which this chapter applies.

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

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

15 (A) The full amount of a covered claim for benefits under  
16 worker's compensation insurance.

17 (B) With respect to a claim for the return of unearned  
18 premium, the lesser of: an amount not exceeding ten  
19 thousand dollars (\$10,000) per policy for a covered claim  
20 for the return of unearned premium, but the obligation  
21 shall include only the amount of each covered claim that is  
22 in excess of fifty dollars (\$50).

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

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

28 (C) An amount not to exceed three hundred thousand dollars  
29 (\$300,000) per covered claim. For purposes of this clause, all  
30 claims of any kind that arise out of or are related to the bodily  
31 injury to or death of one (1) person constitute a single claim,  
32 regardless of the number of claims made or the number of  
33 claimants.

3 The association is not, in any event, obligated to pay a claimant  
4 any amount in excess of the obligation of the insolvent insurer  
5 under the policy or coverage from which the claim arises.  
6 **Notwithstanding any other provision in this chapter, a**  
7 **covered claim may not include a claim filed with the guaranty**  
8 **fund after the final date set by the court for the filing of**  
9 **claims against the liquidator or receiver of an insolvent**  
10 **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.

19 The amount for which the association shall be obligated may also  
20 include payments in fact made to others, not members of  
21 claimant's household, which were reasonably incurred to obtain  
22 from such other persons ordinary and necessary services for the  
23 production of income in lieu of those services the claimant would  
24 have performed for the claimant had the claimant not been  
25 injured.

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

31 A third party having a covered claim against any insured of an  
32 insolvent member insurer may file such claim in the liquidation  
33 proceeding under IC 27-9-3 if such insolvent member insurer is  
34 a domestic insurer and pursuant to the applicable provisions of  
35 law of the state of domicile if such insolvent member insurer is  
36 not a domestic insurer. The liquidator shall immediately refer said  
37 claim to the association to process as provided in this chapter  
38 unless the claimant shall within thirty (30) days from the date of

1 filing said claim in the liquidation proceeding, file with the  
2 commissioner as liquidator a written demand that said claim be  
3 processed in liquidation proceedings as a claim not covered by  
4 this chapter.

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

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

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

38 The amount of a Class B assessment assessments of each

1 member insurer shall be on a uniform percentage basis in the  
2 proportion that the net direct written premiums in this state of the  
3 member insurer for the preceding calendar year on the kinds of  
4 insurance in the account bears to the net direct written premiums  
5 of all member insurers for the preceding calendar year on the  
6 kinds of insurance in the account. ~~However, in addition to the pro~~  
7 ~~rata assessments already described, an assessment may be made~~  
8 ~~against each member insurer in a stated amount up to fifty dollars~~  
9 ~~(\$50) per year for the purpose of paying the administrative~~  
10 ~~expenses of the association.~~ There shall be no **Class B** assessment  
11 for any account so long as assets held in such account are  
12 sufficient to cover all estimated payments for liquidation in  
13 process under such account. Each member insurer shall be  
14 notified of the assessment not later than thirty (30) days before it  
15 is due. No member insurer may be assessed in any year on any  
16 account an amount greater than one percent (1%) of that member  
17 insurer's net direct written premiums in this state for the  
18 preceding calendar year on the kinds of insurance in the account.  
19 If the maximum assessment, together with the other assets of the  
20 association in any account, does not provide in any one (1) year  
21 in any account an amount sufficient to make all necessary  
22 payments from that account, the funds available shall be prorated  
23 and the unpaid portion shall be paid as soon thereafter as funds  
24 become available. The association may exempt or defer, in whole  
25 or in part, the assessment of any member insurer, if the  
26 assessment would cause the member insurer's financial statement  
27 to reflect amounts of capital or surplus less than the minimum  
28 amounts required for a certificate of authority by any jurisdiction  
29 in which the member insurer is authorized to transact insurance.  
30 However, during the period of deferment no dividends shall be  
31 paid to shareholders or policyholders by a company whose  
32 assessment has been deferred. A deferred assessment shall be  
33 paid when such payment will not reduce capital or surplus below  
34 required minimums. Such payments shall be refunded to those  
35 companies whose assessments were increased as the result of  
36 such deferment, or at the option of any such company, shall be  
37 credited to future assessments against such company.  
38 (4) Investigate, adjust, compromise, settle, and pay covered

1 claims to the extent of the association's obligation and deny all  
2 other claims and may review settlements, releases, and judgments  
3 to which the insolvent insurer or its insured were parties to  
4 determine the extent to which such settlements, releases, and  
5 judgments may be properly contested, and as appropriate to  
6 contest them. **The association shall pay claims in any order**  
7 **that it may deem reasonable, including the payment of claims**  
8 **as they are received from the claimants or in groups or**  
9 **categories of claims. The association shall have the right to**  
10 **appoint and to direct legal counsel retained under liability**  
11 **insurance policies for the defense of covered claims and to**  
12 **appoint and direct other service providers for covered**  
13 **services.**

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

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

21 (7) Reimburse each servicing facility for obligations of the  
22 association paid by the facility and for expenses incurred by the  
23 facility while handling claims on behalf of the association and  
24 shall pay the other expenses of the association authorized by this  
25 chapter. Any unreimbursed obligation of the association to a  
26 member insurer designated a servicing facility shall constitute an  
27 admitted asset of such member insurer.

28 (8) Be entitled to and permitted to examine all claims, files, and  
29 records of an insolvent insurer at such times and to such extent as  
30 necessary or appropriate to obtain information regarding covered  
31 claims individually and in the aggregate, and to establish such  
32 procedures as appropriate to obtain prompt notice of all covered  
33 claims and information pertaining thereto during the course of  
34 liquidation.

35 **(9) Have the right to review and contest, as set forth in this**  
36 **subsection, settlements, releases, compromises, waivers, and**  
37 **judgments to which the insolvent insurer or its insureds were**  
38 **parties before the entry of the order of liquidation. In an**

**action to enforce settlements, releases, and judgments to which the insolvent insurer or its insureds were parties before the entry of the order of liquidation, the association shall have the right to assert the following defenses, in addition to the defenses available to the insurer:**

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

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

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

**(B) If a court of competent jurisdiction finds that the association is not bound by a settlement, release, compromise, waiver, or judgment for the reasons described in clause (A), the settlement, release, compromise, waiver, or judgment shall be set aside and the association shall be permitted to defend any covered claim on the merits. The settlement, release, compromise, waiver, or judgment may not be considered as evidence of liability or damages in connection with any claim brought against the association or any other party under this chapter.**

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

**(10) As to any covered claims arising from a judgment under any decision, verdict, or finding based on the default of the insolvent insurer or its failure to defend, the association,**

1                   **either on its own behalf or on behalf of an insured, may apply**  
2                   **to have the judgment, order, decision, verdict, or finding set**  
3                   **aside by the same court or administrator that entered the**  
4                   **judgment, order, decision, verdict, or finding and shall be**  
5                   **permitted to defend the claim on the merits.**

6                   (b) The association may do the following:

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

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

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

14                  (4) Sue or be sued.

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

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

19                  (7) Refund to the then member insurers in proportion to the  
20                  contribution of each such member insurer to that account that  
21                  amount by which the assets of the account exceed the liabilities  
22                  if, at the end of the calendar year, the board of directors finds that  
23                  the assets of the association in any account exceed the liabilities  
24                  of that account as estimated by the board of directors for the  
25                  coming year, provided that the association may retain as a reserve  
26                  fund from the excess of the assets over liabilities at the end of any  
27                  calendar year an amount not to exceed ten percent (10%) of such  
28                  excess assets of such account. Any such reserve fund or earnings  
29                  from its investment shall be used only for the payment of covered  
30                  claims and authorized association expenses. Upon appropriate  
31                  action by the board of directors such reserve fund shall be  
32                  refunded to the then member insurers in proportion to the total  
33                  contribution of each such member insurer to such account.

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

36                  (1) Except for an action by the receiver, an action related to or  
37                  arising out of this chapter against the association must be brought  
38                  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 authority to transact insurance in this state of any member insurer which fails to pay an assessment when due or fails to comply with the plan of operation. As an alternative, the commissioner may levy a fine on any member insurer which fails to pay an assessment when due. The fine shall not exceed five percent (5%) of the unpaid assessment per month, except that no fine shall be less than one hundred dollars (\$100) per month.

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

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

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

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

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

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

(4) Disclose the information described in this subsection with associations in other states and with any organization of one (1) or more state associations of similar purposes so long as the recipient of the information agrees in writing to hold the information confidential in a manner consistent with this chapter and uses the information to prepare for the possible

1           **liquidation of the member insurer. Access to the information**  
2           **disclosed by the commissioner under this subsection shall be**  
3           **limited to the association's staff and its counsel. The board of**  
4           **directors of the association may have access to the**  
5           **information disclosed by the commissioner to the association**  
6           **once the member insurer is subject to a delinquency**  
7           **proceeding under IC 27-9, subject to any terms and conditions**  
8           **established by the commissioner.**

9           **(5) If the commissioner determines that a liquidation is likely,**  
10           **the commissioner may cooperate with the association and**  
11           **with any organization of one (1) or more state associations of**  
12           **similar purposes to provide for an orderly transition to**  
13           **liquidation to minimize any delay in the handling and**  
14           **payment of claims.**

15           SECTION 14. IC 27-6-8-11.5, AS AMENDED BY P.L.158-2024,  
16           SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
17           JULY 1, 2026]: Sec. 11.5. (a) The association is not obligated to pay  
18           a first party claim by a high net worth insured described in section  
19           **4(a)(5)(A) 4(a)(6)(A)** of this chapter.

20           (b) The association has the right to recover from a high net worth  
21           insured described in section **4(a)(5)(B) 4(a)(6)(B)** of this chapter all  
22           amounts paid by the association to or on behalf of the high net worth  
23           insured, regardless of whether the amounts were paid for indemnity,  
24           defense, or otherwise.

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

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

34           **(d) The association may also, at its sole discretion and without**  
35           **assumption of any ongoing duty to do so, pay any third party**  
36           **claims or cybersecurity insurance obligations covered by a policy**  
37           **or endorsement of an insolvent company on behalf of a high net**  
38           **worth insured. In that case, the association shall recover from the**

1       **high net worth insured under this section all amounts paid on its  
2       behalf, all allocated claim adjusted expenses relating to the claims,  
3       the association's attorney's fees, and all court costs in any action  
4       necessary to collect the full amount to the association's  
5       reimbursement under this section.**

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

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

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

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

16       on the same confidential basis.

17       ~~(f)~~ (g) If an insured refuses to provide financial information that is:  
18              (1) requested under the procedures established under subsection  
19              ~~(d)~~; (e); and  
20              (2) available;

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

24       ~~(g)~~ (h) In an action contesting the applicability of this section to an  
25       insured that refuses to provide financial information under the  
26       procedures established under subsection ~~(d)~~; (e), the insured bears the  
27       burden of proof concerning the insured's net worth at the relevant time.  
28       If the insured fails to prove that the insured's net worth at the relevant  
29       time was less than the applicable amount set forth in section 4(a)(5)(A)  
30       4(a)(6)(A) or 4(a)(5)(B) 4(a)(6)(B) of this chapter, the court shall  
31       award to the association the association's full costs, expenses, and  
32       reasonable attorney's fees incurred in contesting the claim.

33       SECTION 15. IC 27-6-8-20 IS ADDED TO THE INDIANA CODE  
34       AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
35       1, 2026]: Sec. 20. (a) The association may join one (1) or more  
36       organizations of other state associations of similar purposes to  
37       further the purposes and administer the powers and duties of the  
38       association. The association may designate one (1) or more of these

1       organizations to:

2                   **(1) act as a liaison for the association; and**  
3                   **(2) to the extent the association authorizes, bind the**  
4                   **association in agreements or settlements with receivers of**  
5                   **insolvent insurance companies or their designated**  
6                   **representatives.**

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

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

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

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

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

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

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

31          A rejection of coverage under this subsection by a named insured is a  
32          rejection on behalf of all other named insureds, all other insureds, and  
33          all other persons entitled to coverage under the policy. No insured may  
34          have uninsured motorist property damage liability insurance coverage  
35          under this section unless the insured also has uninsured motorist bodily  
36          injury liability insurance coverage under this section. Following  
37          rejection of either or both uninsured motorist coverage or underinsured  
38          motorist coverage, unless later requested in writing, the insurer need

1 not offer uninsured motorist coverage or underinsured motorist  
2 coverage in or supplemental to a renewal or replacement policy issued  
3 to the same insured by the same insurer or a subsidiary or an affiliate  
4 of the originally issuing insurer. Renewals of policies issued or  
5 delivered in this state which have undergone interim policy  
6 endorsement or amendment do not constitute newly issued or delivered  
7 policies for which the insurer is required to provide the coverages  
8 described in this section.

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

10 (1) that the named insured is rejecting:  
11 (A) the uninsured motorist coverage;  
12 (B) the underinsured motorist coverage; or  
13 (C) both the uninsured motorist coverage and the underinsured  
14 motorist coverage;  
15 that would otherwise be provided under the policy; and  
16 (2) the date on which the rejection is effective.

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

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

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

29 (A) through the United States mail; or  
30 (B) by electronic means;

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

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

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

37 (B) is not required to make available the coverage in limits  
38 equal to the limits specified in the commercial umbrella or

1 excess liability policy.

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

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

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

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

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

14 (B) that is used:

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

16 (ii) for purposes authorized by the insured.

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

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

19 (2) a person who rents or leases a motor vehicle and has exclusive  
20 use of the motor vehicle for more than thirty (30) days;  
21 (3) the conditional vendee or lessee under an agreement for the  
22 conditional sale or lease of a motor vehicle; or  
23 (4) the mortgagor under an agreement for the conditional sale or  
24 lease of a motor vehicle under which the mortgagor has:

25 (A) the right to purchase; and

26 (B) an immediate right of possession of;

27 the motor vehicle upon the performance of the conditions stated  
28 in the agreement.

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

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

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

37 (A) through the United States mail; or

38 (B) by electronic means:

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

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

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

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

11 (4) A rejection under subsection (b) of uninsured motorist  
12 coverage or underinsured motorist coverage in an underlying  
13 personal policy of insurance is also a rejection of uninsured  
14 motorist coverage or underinsured motorist coverage in a personal  
15 umbrella or excess liability policy.

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

20 Page 2, line 18, delete "after June" and insert "**on or after January**  
21 **1, 2027.**".

22 Page 2, delete line 19.

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

24 Page 3, delete lines 6 through 42.

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

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

35 (2) personal property:

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

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

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

6       **(b) (c) This chapter does not apply to the following:**

- 7           (1) A policy of inland marine insurance.
- 8           (2) The cancellation or nonrenewal of an automobile insurance
- 9           policy under IC 27-7-6.
- 10           (3) The cancellation or nonrenewal of a commercial property and
- 11           casualty insurance policy under IC 27-1-31-2.5.

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

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

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

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

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

- 30           (1) the issuance and delivery by an insurer at the end of a policy
- 31           period of a policy superseding a policy previously issued and
- 32           delivered by the same insurer; or
- 33           (2) the issuance and delivery of a certificate or notice extending
- 34           the term of an existing policy beyond its policy period or term.

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

- 37           (1) the requirement of a reasonable deductible;
- 38           (2) reasonable changes in the amount of insurance; or

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

8 (1) be in writing;

9 (2) be mailed to the named insured at the last known address of

10 the named insured;

11 (3) state the insurer's intention not to renew the policy upon

12 expiration of the current policy period;

13 (4) upon request of the named insured, be accompanied by a

14 written explanation of the specific reasons for the nonrenewal;

15 and

16 (5) be mailed to the named insured at least twenty (20) sixty (60)

17 days before the expiration of the current policy period; and

18 (6) comply with section 6.5(a)(1) of this chapter if the insurer

19 used aerial images as the sole reason for nonrenewing a

20 policy.

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

28 (1) the named insured is transferred from an insurer to an affiliate

29 of the insurer for future coverage; and

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

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

1       **do the following:**

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

8       **(2) Establish a point of contact and a process for a named**  
9       **insured to use to provide documentation of completion of the**  
10       **required work that the insurer communicates to the named**  
11       **insured under subdivision (1). The documentation must be**  
12       **used by the insurer in considering whether to uphold or**  
13       **reverse the nonrenewal.**

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

17       **(4) Provide the named insured at least sixty (60) days to cure**  
18       **the defects or conditions underlying a nonrenewal after the**  
19       **date the insurer identifies the specific conditions under**  
20       **subdivision (1). An insurer shall have the right to assess the**  
21       **work used to cure the defects or conditions to ensure they**  
22       **have been corrected in a manner that meets the standards**  
23       **originally communicated by the insurer under subdivision (1).**

24       **(5) Offer a renewal policy to a named insurer who submits**  
25       **proof that they have cured the defects or conditions identified**  
26       **under subdivision (1). However, an insurer may nonrenew the**  
27       **policy only for a reason unrelated to the defects or conditions**  
28       **identified under subdivision (1).**

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

31       Page 5, between lines 5 and 6, begin a new paragraph and insert:  
32       "SECTION 7. IC 27-8-11-8.5 IS ADDED TO THE INDIANA  
33       CODE AS A NEW SECTION TO READ AS FOLLOWS  
34       [EFFECTIVE JULY 1, 2026]: Sec. 8.5. (a) As used in this section,  
35       "insurance producer" has the meaning set forth in IC 27-1-15.6-2.

36       (b) An insurer shall provide any insurance producer who has  
37       contracted with the insurer with access to a complete list of every  
38       provider that has entered into an agreement with an insurer under

1       **section 3 of this chapter.**

2       **(c) An insurer shall make the information described in**  
3       **subsection (b) available on the insurer's portal for insurance**  
4       **producer communications.**

5       SECTION 8. IC 27-8-13-9.3, AS ADDED BY P.L.56-2025,  
6       SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
7       UPON PASSAGE]: Sec. 9.3. (a) **Except as provided in subsection**  
8       **(b), this section applies to a Medicare supplement policy or certificate**  
9       **delivered, issued, or renewed on or after January 1, 2026.**

10       **(b) The amendments made to this section in the 2026 session of**  
11       **the general assembly apply to a Medicare supplement policy or**  
12       **certificate delivered, issued, or renewed on or after March 15,**  
13       **2026.**

14       **(b) (c) This section applies to:**

15       (1) an applicant who submits an application for a Medicare  
16       supplement policy or certificate before or during the six (6) month  
17       period beginning on the first day of the first month during which  
18       the applicant is:

19       (A) at least sixty-five (65) years of age; and

20       (B) timely enrolled for benefits under Medicare Part B without  
21       penalty under federal law; and

22       (2) an applicant who:

23       (A) is at least sixty-five (65) years of age;

24       (B) is insured under a Medicare supplement policy or  
25       certificate;

26       (C) submits an application for a Medicare supplement policy  
27       or certificate:

28       (i) to an issuer that is different than the issuer of the  
29       applicant's current Medicare supplement policy or  
30       certificate; and

31       (ii) **within sixty (60) days of during the period beginning**  
32       **one (1) month before the applicant's birthday and ending**  
33       **one (1) month after the applicant's birthday;** and

34       (D) seeks to maintain the same type of lettered Medicare  
35       supplement plan, including any variation of the lettered plan.

36       **(e) (d) An issuer of a Medicare supplement policy or certificate**  
37       **shall not deny, condition the issuance or effectiveness of, or**  
38       **discriminate in the pricing of a Medicare supplement policy or**

1 certificate because of the health status, claims experience, receipt of  
 2 health care, or medical condition of an applicant to which subsection  
 3 ~~(b)(c)~~ applies.

4 ~~(d)(e)~~ A new Medicare supplement policy or certificate issued to an  
 5 applicant under subsection ~~(b)(2)(c)(2)~~ must go into effect on the first  
 6 day of the **next month that is at least thirty (30) days** after the signature  
 7 date on the application for the Medicare supplement policy or  
 8 certificate.

9 SECTION 9. IC 27-13-9-1.5 IS ADDED TO THE INDIANA CODE  
 10 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 11 1, 2026]: **Sec. 1.5. (a) A health maintenance organization shall**  
 12 **provide any insurance producer who has contracted with the**  
 13 **health maintenance organization with access to a complete list of**  
 14 **every participating provider that provides health care services**  
 15 **through the health maintenance organization.**

16 **(b) A health maintenance organization shall make the**  
 17 **information described in subsection (a) available on the health**  
 18 **maintenance organization's portal for insurance producer**  
 19 **communications.**".

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

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

25 SECTION 26. **An emergency is declared for this act.**".

26 Rerumber all SECTIONS consecutively.

(Reference is to HB 1260 as introduced.)

**and when so amended that said bill do pass.**

**Representative Carbaugh**