

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

**LS 6767**  
**BILL NUMBER:** HB 1260

**NOTE PREPARED:** Dec 26, 2025  
**BILL AMENDED:**

**SUBJECT:** Various Insurance Matters.

**FIRST AUTHOR:** Rep. Lehman  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** *Automobile and Home Insurance:* This bill specifies that, for personal automobile or homeowner's policies: (1) an insured has 30 days to submit a request for an explanation of a material change; and (2) an insurer has 30 days to respond to an insured's request for an explanation of a material change. It requires an insurer of automobile insurance policies and residential policies to mail a notice of nonrenewal to an insured at least 60 days before the expiration of the policy.

*Condominium Insurance:* This bill allows co-owners of a condominium that meets certain conditions to obtain property and casualty insurance coverage for the condominium units by purchasing a master policy for property and casualty insurance or by allowing each co-owner to purchase property and casualty insurance on an individual basis.

*Health Benefit Exchange:* This bill provides that the Insurance Commissioner has the authority to take certain actions relating to the creation, implementation, or operation of a Health Benefit Exchange.

**Effective Date:** July 1, 2026.

**Explanation of State Expenditures:** The bill's requirements will increase workload for the Indiana Department of Insurance (DOI) to ensure compliance, and to establish the optional Health Benefit Exchange program if the agency opts to do so. This should be able to be implemented using existing staffing and resources. The bill would likely increase state expenditures to establish a Health Benefit Exchange program, dependent upon administrative decisions and the scope of such a program. *[The DOI is funded through a dedicated agency fund.]*

**Additional Information:**

*Health Benefit Exchange:* The bill allows DOI to establish a Health Benefit Exchange program which would require rulemaking, program and policy development, program implementation, technology resources, additional staff, and establishment of an advisory board or commission.

A Health Benefit Exchange program, also known as a Health Insurance Marketplace, is a platform that helps people shop for and enroll in health insurance. The federal government operates the Health Insurance Marketplace (available at HealthCare.gov) that provides health plan shopping and enrollment services through websites, call centers, and in-person help. For plan year 2026, 20 states and the District of Columbia will operate their own state-based insurance marketplace.

**Explanation of State Revenues:** *Condominium Insurance:* DOI may issue a cease and desist order for violations of the bill's condominium insurance provision. If a cease and desist order is violated, the DOI may assess a civil penalty of up to \$10,000 per day to be deposited into the state General Fund.

*Health Benefit Exchange:* The bill allows DOI to apply for federal funding related to the creation, implementation, or operation of a Health Benefit Exchange program. Any increase in federal funding received would depend on administrative action. Under the federal Health Insurance Marketplace, insurers pay a percentage of premiums to cover federal marketplace costs. If the state took this same approach, DOI may be able to fund, in part or in whole, the costs for a Health Benefit Exchange program through a combination of federal funding and revenue from insurer premiums fees.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Department of Insurance.

**Local Agencies Affected:**

**Information Sources:** [www.healthcare.gov/glossary/health-insurance-marketplace-glossary](http://www.healthcare.gov/glossary/health-insurance-marketplace-glossary); [www.ez.insure/individual-health-insurance/ihc-faqs/state-run-health-insurance-exchanges](http://www.ez.insure/individual-health-insurance/ihc-faqs/state-run-health-insurance-exchanges); IC 27-7-18-19.

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