

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

LS 6767

BILL NUMBER: HB 1260

NOTE PREPARED: Jan 28, 2026

BILL AMENDED: Jan 20, 2026

SUBJECT: Various Insurance Matters.

FIRST AUTHOR: Rep. Lehman

FIRST SPONSOR: Sen. Baldwin

BILL STATUS: As Passed House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: *Fraudulent Insurance Acts:* This bill requires a person or entity to furnish information relating to a fraudulent insurance act to the Department of Insurance (DOI) or the National Insurance Crime Bureau. It provides that a person or entity is not subject to civil or criminal liability for filing a report or furnishing other information concerning a fraudulent insurance act under certain circumstances.

APCD Fee Schedule: This bill sets forth a fee schedule for providing unrestricted data to certain entities from the All Payer Claims Data Base (APCD).

Indiana Insurance Guaranty Association: This bill makes various changes to: (1) provisions relating to notice of material change; and (2) the property and casualty insurance and guaranty association law.

Farm Mutual Insurance Companies: This bill 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.

Insurance Provisions: This bill 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. It requires an insurer of automobile insurance policies to mail a notice of nonrenewal at least 30 days before the expiration of the policy. It requires an insurer of residential policies to: (1) mail a notice of nonrenewal at least 60 days before the expiration of the policy; and (2) take certain actions when the insurer utilizes aerial images as part of the insurer's coverage determinations.

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 or by allowing each co-owner to purchase insurance on an individual basis. It requires an insurer and a Health Maintenance Organization (HMO) to provide an insurance producer with access to a complete list of providers who have entered into a reimbursement agreement with the insurer or HMO. It also provides that the prohibition on denying,

conditioning, or discriminating in the pricing of Medicare supplement policies for certain applicants applies to an applicant who submits an application during the period beginning one month before the applicant's birthday and ending one month after the applicant's birthday.

Health Benefit Exchange: This bill also 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: Upon passage; July 1, 2026.

Explanation of State Expenditures: The bill's requirements will increase workload for the DOI to ensure compliance, decide on proposed mergers or consolidations of farm mutual insurance companies, adopt rules regarding aerial photography, 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.

Fraudulent Insurance Acts: The bill provides that, in certain circumstances, a person or entity is not subject to criminal liability for filing a report or providing information concerning a suspected, anticipated, or completed fraudulent insurance act. *[Such individuals are already provided civil immunity.]*

Explanation of State Revenues: *APCD Fee Schedule:* The bill establishes a fee schedule for unrestricted data requests for the APCD but exempts state and local government agencies in Indiana from being required to pay such fees. Based on data from Colorado's APCD, DOI estimates that annual revenue from APCD data request fees would total an estimated \$30,000 to \$100,000 per year. Fee revenue will be deposited into the dedicated DOI Agency Fund.

Insurance Provisions: 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.

Additional Information:

APCD Fee Schedule: States do not generally publish revenue totals from such fee schedules; however, DOI was able to gather data from Colorado's APCD fee schedule to estimate potential state revenue. The APCD has received approximately seven informal external requests for data since its launch.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Department of Insurance.

Local Agencies Affected:

Information Sources: Claire Szpara, DOI; IC 27-7-18-19;
www.healthcare.gov/glossary/health-insurance-marketplace-glossary;
www.ez.insure/individual-health-insurance/ihc-faqs/state-run-health-insurance-exchanges.

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