
HOUSE BILL No. 1260

AM126006 has been incorporated into introduced printing.

Synopsis: Various insurance matters.

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2026

IN 1260—LS 6767/DI 141



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Introduced

Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

HOUSE BILL No. 1260

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-1-3-22 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 22. (a) As used in this
3 section, "fraudulent insurance act" means:

4 (1) the preparation or presentation of a written statement as part
5 of, or in support of:

6 (A) a fraudulent application for the issuance or rating of a
7 policy of commercial insurance; or

8 (B) a fraudulent claim under a policy of commercial or
9 personal insurance; or

10 (2) the concealment, for the purpose of misleading, of
11 information concerning any fact material to an application or
12 claim described in subdivision (1).

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

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(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.



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

5 **(1) the department; or
6 (2) the National Insurance Crime Bureau;
7 not later than sixty (60) days after the person receives notice of the
8 fraudulent insurance act. If the National Insurance Crime Bureau
9 receives information under this subsection, the National Insurance
10 Crime Bureau shall disclose the information to the department.**

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

17 (1) The department or an agent, an employee, or a designee of
18 the department.
19 (2) Law enforcement officials or an agent or employee of a law
20 enforcement official.
21 (3) The National Association of Insurance Commissioners.
22 (4) Any agency or bureau of federal or state government
23 established to detect and prevent fraudulent insurance acts.
24 (5) Any other organization established to detect and prevent
25 fraudulent insurance acts.

26 **(6) The National Insurance Crime Bureau.**

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

28 **(e) (8) An agent, an employee, or a designee of an entity referred
29 to in subdivisions (3) through (5). (7).**

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

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

37 (b) If:

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



1 **22(d)** of this chapter; and
 2 (2) the party who initiated the action was not substantially
 3 justified in initiating the action;
 4 the person, entity, employee, or agent referred to in subdivision (1) is
 5 entitled to an award of attorney's fees and costs.

6 SECTION 3. IC 27-1-44.5-12 IS ADDED TO THE INDIANA
 7 CODE AS A NEW SECTION TO READ AS FOLLOWS
 8 [EFFECTIVE JULY 1, 2026]: Sec. 12. (a) Except as provided in
 9 subsections (b), (c), and (e), the fee schedule for each type of
 10 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	
Medical Claims	\$ 375	\$1,500
Pharmacy Claims	\$ 125	\$ 500
Hospital Encounters		
Inpatient	\$ 375	\$1,500
Outpatient	\$ 312.50	\$1,250
Emergency Dept.	\$ 312.50	\$1,250
Commercial Redistributor (Resellers)		
Data Set	Per Quarter	Per Year
Member Eligibility	\$2,500	\$10,000
Medical Claims	\$3,750	\$15,000



1	Pharmacy Claims	\$1,250	\$5,000
2	Hospital Encounters		
3	Inpatient	\$3,750	\$15,000
4	Outpatient	\$3,125	\$12,500
5	Emergency Dept.	\$3,125	\$12,500

18 (d) If it is determined by the data base that access to the analytic
19 environment is necessary based on the quantity and type of data
20 requested, the requesting entity will incur an additional licensing
21 fee of one thousand dollars (\$1,000) per month per user.

22 (e) Member eligibility data sets for the requested time period
23 must be provided at no charge if requested along with at least one
24 (1) other data set.

25 (f) A requesting entity may submit to the department a request
26 for a waiver of any applicable fees if the entirety of the entity's
27 research findings will be released to the public at no cost to the
28 reader.

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

36 (b) This chapter does not apply to:

39 (2) declinations of coverage.

40 SECTION 5. IC 27-2-28-2, AS ADDED BY P.L.226-2023,
41 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 JULY 1, 2026]: Sec. 2. **(a)** As used in this chapter, "automobile policy"



1 means a policy providing one (1) or more of the types of insurance
 2 described in Class 2(f) of IC 27-1-5-1.

3 **(b) The term includes an automobile policy under which the**
 4 **insured vehicle designated in the policy is rated as private**
 5 **passenger.**

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

- 8 **(1) boats;**
- 9 **(2) inland marine;**
- 10 **(3) motorcycles;**
- 11 **(4) off-road vehicles;**
- 12 **(5) recreational vehicles;**
- 13 **(6) trailers;**
- 14 **(7) fleets;**
- 15 **(8) antique or collector vehicles;**
- 16 **(9) classic vehicles;**
- 17 **(10) specialty vehicles; or**
- 18 **(11) any other personal insurance policy not listed in**
 19 **subdivisions (1) through (10).**

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

24 (1) coverage for:

- 25 (A) damage to or the destruction of:
 - 26 (i) a structure; or
 - 27 (ii) a unit within a structure;
- 28 that is used as a residence by one (1) or more individuals; and
- 29 (B) damage to or the loss of personal property that is present
 30 in the structure or unit described in clause (A);
- 31 caused by perils such as fire, hail, and lightning; and
- 32 (2) coverage against the civil liability of the policyholder arising
 33 from bodily injury or property damage incurred by others.

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

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

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



1 means

2 ~~(1) an a premium increase of more than ten percent (10%) over~~

3 ~~the expiring premium for; or and above the increases in the~~

4 ~~insurer's filed rate plan, including base rate increases and any~~

5 ~~other changes to the insurer's filed rate plan.~~

6 ~~(2) another adverse or unfavorable change in the terms of~~

7 ~~coverage or amount of;~~

8 ~~insurance in connection with a personal automobile or homeowner's~~

9 ~~policy.~~

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

11 (1) An increase in the insurer's filed rate plan and automatic

12 inflationary increases.

13 (2) An additional premium due to a change initiated by the

14 insured, such as:

15 (A) adding or removing vehicles or drivers;

16 (B) adding an endorsement;

17 (C) adding additional coverages;

18 (D) adding covered premises; or

19 (E) increasing coverage limits or deductibles.

20 (3) An additional premium due to a change in risk exposure as a

21 result of the insured's participation in a usage based or telematics

22 insurance program.

23 (4) Changes resulting from a property inspection.

24 ~~(5) For purposes of the second or subsequent renewals, rate~~

25 ~~increases that are implemented over more than one (1) policy~~

26 ~~period if:~~

27 (A) the implementation plan is included in the insurer's

28 filed rate plan; or

29 (B) the increase for any one (1) policy period is not more

30 than ten (10%) over the expiring policy period's premium.

31 ~~(6) Adverse or unfavorable changes that occur when coverage~~

32 ~~has been in effect for less than sixty (60) days.~~

33 SECTION 8. IC 27-2-28-8, AS ADDED BY P.L.226-2023,

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

35 JULY 1, 2026]: Sec. 8. (a) An insurer that makes a material change to

36 an insured's personal automobile or homeowner's policy shall provide

37 a written notice to the insured that:

38 (1) explains the principal factors for the material change; or

39 (2) states that the insured has a right to request and obtain an

40 explanation of the principal factors for the material change.

41 (b) **Not later than thirty (30) days after** an insured ~~who~~ receives

42 a notice of a material change described in subsection (a)(2), **the**



1 **insured** may submit to the insurer a written request for an explanation
 2 of the principal factors for the material change.

3 (c) **Upon Not later than thirty (30) days after** receiving a request
 4 for an explanation under subsection (b), the insurer shall provide
 5 written notice to the insured explaining the principal factors for the
 6 material change.

7 (d) An insurer shall provide a copy of a written notice provided
 8 under subsection (a)(1) or (c):

9 (1) to the insurance producer, if any, who:

10 (A) represented:
 11 (i) the insured in obtaining coverage from the insurer; or
 12 (ii) the insurer in regard to the providing of coverage to the
 13 insured; and

14 (B) is not an employee, an exclusive agent, or a captive agent
 15 of the insurer; and

16 (2) to the insurer's reporting portal for agent communications.

17 (e) A written notice provided under subsection (a) or (c), or a
 18 written request submitted under subsection (b), must be provided by:

19 (1) first class mail; or
 20 (2) electronic delivery as set forth in IC 27-1-43.

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

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

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

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

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

42 SECTION 10. IC 27-6-8-3 IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. This chapter applies
 2 to all kinds of direct insurance except:

- 3 (1) life, annuity, health, or disability insurance;
- 4 (2) mortgage guaranty, financial guaranty, or other forms of
 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
 collateral protection insurance or similar insurance with the
 primary purpose of protecting the interests of a creditor arising
 out of a creditor-debtor transaction;
- 7 (5) **other than coverages that may be set forth in a
 cybersecurity insurance policy**, warranty or service contract
 insurance, including insurance that provides:
- 8 (A) **for the repair, replacement, or service of goods or
 property;**
- 9 (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**
- 10 (C) **reimbursement for the liability incurred by the issuer
 of agreements or service contracts that provide the benefits
 described in clauses (A) and (B).**
- 11 (6) title insurance;
- 12 (7) ocean marine insurance;
- 13 (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;
- 14 (9) insurance provided by or guaranteed by a government entity;
 and
- 15 (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.

16 SECTION 11. IC 27-6-8-4, AS AMENDED BY P.L.158-2024,
 17 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2026]: Sec. 4. (a) As used in this chapter, unless otherwise
 19 provided:

- 20 (1) The term "account" means any one (1) of the three (3)
 accounts created by section 5 of this chapter.
- 21 (2) The term "association" means the Indiana Insurance Guaranty
 Association created by section 5 of this chapter.
- 22 (3) The term "commissioner" means the commissioner of
 insurance of this state.



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

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

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

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

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



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

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

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

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

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

15 **(A) data privacy breaches;**
 16 **(B) unauthorized information network security intrusions;**
 17 **(C) computer viruses;**
 18 **(D) ransomware;**
 19 **(E) cyber extortion;**
 20 **(F) identity theft; and**
 21 **(G) similar exposures.**

22 **(5) (6) The term "high net worth insured" means the following:**

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

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

37 **(6) (7) The term "insolvent insurer" means (a) a member insurer**
 38 **holding a valid certificate of authority to transact insurance in this**
 39 **state either at the time the policy was issued or when the insured**
 40 **event occurred and (b) against whom a final order of liquidation,**
 41 **with a finding of insolvency, to which there is no further right of**
 42 **appeal, has been entered by a court of competent jurisdiction in**



1 the company's state of domicile. "Insolvent insurer" shall not be
 2 construed to mean an insurer with respect to which an order,
 3 decree, judgment or finding of insolvency whether preliminary or
 4 temporary in nature or order to rehabilitation or conservation has
 5 been issued by any court of competent jurisdiction prior to
 6 January 1, 1972 or which is adjudicated to have been insolvent
 7 prior to that date.

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

11 **(7) (9) The term "member insurer" means any person who is
 12 licensed or holds a certificate of authority under IC 27-1-6-18 or
 13 IC 27-1-17-1 to transact in Indiana any kind of insurance for
 14 which coverage is provided under section 3 of this chapter,
 15 including the exchange of reciprocal or inter-insurance contracts.
 16 The term includes any insurer whose license or certificate of
 17 authority to transact such insurance in Indiana may have been
 18 suspended, revoked, not renewed, or voluntarily surrendered. A
 19 "member insurer" does not include farm mutual insurance
 20 companies organized and operating pursuant to IC 27-5.1 other
 21 than a company to which IC 27-5.1-2-6 applies.**

22 **(8) (10) The term "net direct written premiums" means direct
 23 gross premiums written in this state on insurance policies to
 24 which this chapter applies, less return premiums thereon and
 25 dividends paid or credited to policyholders on such direct
 26 business. "Net direct premiums written" does not include
 27 premiums on contracts between insurers or reinsurers.**

28 **(9) (11) The term "person" means an individual, an aggregation
 29 of individuals, a corporation, a partnership, or another entity.**

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

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

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



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

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

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

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

28 SECTION 13. IC 27-6-8-7, AS AMENDED BY P.L.52-2013,
 29 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2026]: Sec. 7. (a) The association shall do all of the following:

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

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



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

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

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

11 (C) An amount not to exceed three hundred thousand dollars
12 (\$300,000) per covered claim. For purposes of this clause, all
13 claims of any kind that arise out of or are related to the bodily
14 injury to or death of one (1) person constitute a single claim,
15 regardless of the number of claims made or the number of
16 claimants.

17 **(D) In no event shall the association be obligated to pay an**
18 **amount in excess of three hundred thousand dollars**
19 **(\$300,000) for all first and third party claims under a**
20 **policy or endorsement providing, or that is found to**
21 **provide, cybersecurity insurance coverage and arising out**
22 **of or related to a single insured event, regardless of the**
23 **number of claims made or the number of claimants.**

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

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

40 The amount for which the association shall be obligated may also
41 include payments in fact made to others, not members of
42 claimant's household, which were reasonably incurred to obtain



1 from such other persons ordinary and necessary services for the
 2 production of income in lieu of those services the claimant would
 3 have performed for the claimant had the claimant not been
 4 injured.

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

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

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

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

40 (A) **Class A assessments are assessments that are**
 41 **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** 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 become available. The association may exempt or defer, in whole or in part, the assessment of any member insurer, if the assessment would cause the member insurer's financial statement to reflect amounts of capital or surplus less than the minimum amounts required for a certificate of authority by any jurisdiction

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1 in which the member insurer is authorized to transact insurance.
2 However, during the period of deferment no dividends shall be
3 paid to shareholders or policyholders by a company whose
4 assessment has been deferred. A deferred assessment shall be
5 paid when such payment will not reduce capital or surplus below
6 required minimums. Such payments shall be refunded to those
7 companies whose assessments were increased as the result of
8 such deferment, or at the option of any such company, shall be
9 credited to future assessments against such company.

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

23 services.
24 (5) Notify such persons as the commissioner directs under
25 IC 27-6-8-9(b)(i).

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

38 (8) Be entitled to and permitted to examine all claims, files, and
39 records of an insolvent insurer at such times and to such extent as
40 necessary or appropriate to obtain information regarding covered
41 claims individually and in the aggregate, and to establish such
42 procedures as appropriate to obtain prompt notice of all covered

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1 claims and information pertaining thereto during the course of
 2 liquidation.

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

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

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

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

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

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

42 **(10) As to any covered claims arising from a judgment under**



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

8 (b) The association may do the following:

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

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

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

16 (4) Sue or be sued.

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

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

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

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

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

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



5 SECTION 14. IC 27-6-8-9 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 9. (a) The
7 commissioner shall:

14 (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.

23 (ii) Require each insurance producer of the insolvent insurer to
24 give prompt written notice by first class mail of such insolvency
25 and the rights of the insured under this chapter to each insured of
26 the insolvent insurer for whom the insurance producer is
27 insurance producer of record, at such insured's last known
28 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.

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

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



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41 (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 liquidation of the member insurer. Access to the information disclosed by the commissioner 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.

42 (5) If the commissioner determines that a liquidation is likely,

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1 the commissioner may cooperate with the association and
2 with any organization of one (1) or more state associations of
3 similar purposes to provide for an orderly transition to
4 liquidation to minimize any delay in the handling and
5 payment of claims.

6 SECTION 15. IC 27-6-8-11.5, AS AMENDED BY P.L.158-2024,
7 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2026]: Sec. 11.5. (a) The association is not obligated to pay
9 a first party claim by a high net worth insured described in section
10 4(a)(5)(A) 4(a)(6)(A) of this chapter.

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

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

17 (1) would otherwise be a covered claim;

(2) is an obligation to or on behalf of a person who has a net worth greater than the net worth allowed by the insurance guaranty association law of the state of residence of the claimant at the time specified by the applicable law of the state of residence of the claimant; and

(3) has been denied by the association of the state of residence of the claimant on the basis described in subdivision (2).

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

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

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



4 (f) (g) If an insured refuses to provide financial information that is:
5 (1) requested under the procedures established under subsection
6 (d); (e); and
7 (2) available;

8 the association may, until the time that the financial information is
9 provided to the association, consider the insured to be a high net worth
10 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.

20 SECTION 16. IC 27-6-8-20 IS ADDED TO THE INDIANA CODE
21 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
22 1, 2026]: **Sec. 20. (a) The association may join one (1) or more**
23 **organizations of other state associations of similar purposes to**
24 **further the purposes and administer the powers and duties of the**
25 **association. The association may designate one (1) or more of these**
26 **organizations to:**

39 SECTION 17. IC 27-7-5-2, AS AMENDED BY P.L.130-2020,
40 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2026]: Sec. 2. (a) Except as provided in subsections (d), (f),
42 and (h), the insurer shall make available, in each automobile liability

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1 or motor vehicle liability policy of insurance which is delivered or
2 issued for delivery in this state with respect to any motor vehicle
3 registered or principally garaged in this state, insuring against loss
4 resulting from liability imposed by law for bodily injury or death
5 suffered by any person and for injury to or destruction of property to
6 others arising from the ownership, maintenance, or use of a motor
7 vehicle, or in a supplement to such a policy, the following types of
8 coverage:

9 (1) in limits for bodily injury or death and for injury to or
10 destruction of property not less than those set forth in IC 9-25-4-5
11 under policy provisions approved by the commissioner of
12 insurance, for the protection of persons insured under the policy
13 who are legally entitled to recover damages from owners or
14 operators of uninsured or underinsured motor vehicles because of
15 bodily injury, sickness or disease, including death, and for the
16 protection of persons insured under the policy who are legally
17 entitled to recover damages from owners or operators of
18 uninsured motor vehicles for injury to or destruction of property
19 resulting therefrom; or
20 (2) in limits for bodily injury or death not less than those set forth
21 in IC 9-25-4-5 under policy provisions approved by the
22 commissioner of insurance, for the protection of persons insured
23 under the policy provisions who are legally entitled to recover
24 damages from owners or operators of uninsured or underinsured
25 motor vehicles because of bodily injury, sickness or disease,
26 including death resulting therefrom.

27 The uninsured and underinsured motorist coverages must be provided
28 by insurers for either a single premium or for separate premiums, in
29 limits at least equal to the limits of liability specified in the bodily
30 injury liability provisions of an insured's policy, unless such coverages
31 have been rejected in writing by the insured. However, underinsured
32 motorist coverage must be made available in limits of not less than fifty
33 thousand dollars (\$50,000). At the insurer's option, the bodily injury
34 liability provisions of the insured's policy may be required to be equal
35 to the insured's underinsured motorist coverage. Insurers may not sell
36 or provide underinsured motorist coverage in an amount less than fifty
37 thousand dollars (\$50,000). Insurers must make underinsured motorist
38 coverage available to all existing policyholders on the date of the first
39 renewal of existing policies that occurs on or after January 1, 1995, and
40 on any policies newly issued or delivered on or after January 1, 1995.
41 Uninsured motorist coverage or underinsured motorist coverage may



1 be offered by an insurer in an amount exceeding the limits of liability
 2 specified in the bodily injury and property damage liability provisions
 3 of the insured's policy.

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

- 6 (1) reject both the uninsured motorist coverage and the
 7 underinsured motorist coverage provided for in this section; or
 8 (2) reject either the uninsured motorist coverage alone or the
 9 underinsured motorist coverage alone, if the insurer provides the
 10 coverage not rejected separately from the coverage rejected.

11 A rejection of coverage under this subsection by a named insured is a
 12 rejection on behalf of all other named insureds, all other insureds, and
 13 all other persons entitled to coverage under the policy. No insured may
 14 have uninsured motorist property damage liability insurance coverage
 15 under this section unless the insured also has uninsured motorist bodily
 16 injury liability insurance coverage under this section. Following
 17 rejection of either or both uninsured motorist coverage or underinsured
 18 motorist coverage, unless later requested in writing, the insurer need
 19 not offer uninsured motorist coverage or underinsured motorist
 20 coverage in or supplemental to a renewal or replacement policy issued
 21 to the same insured by the same insurer or a subsidiary or an affiliate
 22 of the originally issuing insurer. Renewals of policies issued or
 23 delivered in this state which have undergone interim policy
 24 endorsement or amendment do not constitute newly issued or delivered
 25 policies for which the insurer is required to provide the coverages
 26 described in this section.

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

- 28 (1) that the named insured is rejecting:
 - 29 (A) the uninsured motorist coverage;
 - 30 (B) the underinsured motorist coverage; or
 - 31 (C) both the uninsured motorist coverage and the underinsured
 32 motorist coverage;
- 33 that would otherwise be provided under the policy; and
- 34 (2) the date on which the rejection is effective.

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

- 41 (1) An insurer is not required to make available in a commercial



1 umbrella or excess liability policy the coverage described in
2 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:

6 (A) through the United States mail; or
7 (B) by electronic means;

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

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

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

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

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

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

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

28 (A) of which the insured is not the owner; and
29 (B) that is used:

30 (i) by the insured or an agent of the insured; and
31 (ii) for purposes authorized by the insured.

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

33 (1) a person who holds the legal title to a motor vehicle;
34 (2) a person who rents or leases a motor vehicle and has exclusive
35 use of the motor vehicle for more than thirty (30) days;
36 (3) the conditional vendee or lessee under an agreement for the
37 conditional sale or lease of a motor vehicle; or
38 (4) the mortgagor under an agreement for the conditional sale or
39 conditional lease of a motor vehicle.

39 lease of a motor vehicle under which the mo
40 (A) the right to purchase; and
41 (B) an immediate right of possession of;

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1 the motor vehicle upon the performance of the conditions stated
 2 in the agreement.

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

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

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

11 (A) through the United States mail; or
 12 (B) by electronic means;

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

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

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

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

23 (4) A rejection under subsection (b) of uninsured motorist
 24 coverage or underinsured motorist coverage in an underlying
 25 personal policy of insurance is also a rejection of uninsured
 26 motorist coverage or underinsured motorist coverage in a personal
 27 umbrella or excess liability policy.

28 **(i) A policy of insurance that provides coverage in excess of any
 29 liability relating to a self-insured retention amount shall be
 30 considered a commercial umbrella or excess liability policy under
 31 subsection (d).**

32 SECTION 18. IC 27-7-6-0.5 IS ADDED TO THE INDIANA CODE
 33 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 34 1, 2026]: **Sec. 0.5. Section 6 of this chapter, as amended in the 2026
 35 session of the general assembly, applies to automobile insurance
 36 policies that are issued, delivered, amended, or renewed on or after
 37 January 1, 2027.**

38 SECTION 19. IC 27-7-6-6, AS AMENDED BY P.L.196-2021,
 39 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2026]: **Sec. 6. (a) An insurer shall not fail to renew a policy
 41 unless it mails to the named insured, at the address shown in the policy,
 42 at least twenty (20) thirty (30) days advance notice of its intention not**



1 to renew the policy.

2 (b) If a policy was procured by an independent insurance producer
 3 duly licensed by the state of Indiana, a notice of intent not to renew the
 4 policy shall be mailed to the independent insurance producer at least
 5 ten (10) days prior to the mailing of the notice of intention not to renew
 6 to the named insured under subsection (a), unless such notice of intent
 7 is or has been waived in writing by the independent insurance
 8 producer.

9 (c) This section does not apply:

10 (1) if the insurer has manifested its willingness to renew; or
 11 (2) in case of nonpayment of premium.

12 However, notwithstanding the failure of an insurer to comply with this
 13 section, the policy shall terminate on the effective date of any other
 14 insurance policy with respect to any automobile designated in both
 15 policies.

16 (d) A notice of intention not to renew is not required under this
 17 section if:

18 (1) the insured is transferred from an insurer to an affiliate of the
 19 insurer for future coverage; and
 20 (2) the transfer results in the same or broader coverage.

21 (e) Renewal of a policy shall not constitute a waiver or estoppel with
 22 respect to grounds for cancellation which existed before the effective
 23 date of such renewal.

24 SECTION 20. IC 27-7-12-1 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) **Except as**
 26 **provided in subsection (b),** this chapter applies to policies of
 27 insurance covering risks to property located in Indiana that take effect
 28 or are renewed after June 30, 2001, and that insure loss of or damage
 29 to:

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

33 (2) personal property:

34 (A) in which the named insured has an insurable interest; and
 35 (B) that is used within a residential dwelling for personal,
 36 family, or household purposes.

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



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

2 (1) A policy of inland marine insurance.

3 (2) The cancellation or nonrenewal of an automobile insurance

4 policy under IC 27-7-6.

5 (3) The cancellation or nonrenewal of a commercial property and

6 casualty insurance policy under IC 27-1-31-2.5.

7 SECTION 21. IC 27-7-12-2 IS AMENDED TO READ AS

8 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. **(a) As used in this**

9 **chapter, "aerial image" means an image of a named insured's**

10 **property captured from an airborne platform.**

11 **(a) (b)** As used in this chapter, "cancellation" refers to a termination

12 of property insurance coverage that occurs during the policy term.

13 **(b) (c)** As used in this chapter, "nonpayment of premium" means the

14 failure of the named insured to discharge any obligation in connection

15 with the payment of premiums on policies of insurance subject to this

16 chapter, regardless of whether the payments are directly payable to the

17 insurer or its agent or indirectly payable under a premium finance plan

18 or extension of credit. The term includes the failure to pay dues or fees

19 where payment of the dues or fees is a prerequisite to obtaining or

20 continuing property insurance coverage.

21 **(c) (d)** As used in this chapter, "nonrenewal" or "nonrenewed" refers

22 to a termination of property insurance coverage that occurs at the end

23 of the policy term.

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

25 (1) the issuance and delivery by an insurer at the end of a policy

26 period of a policy superseding a policy previously issued and

27 delivered by the same insurer; or

28 (2) the issuance and delivery of a certificate or notice extending

29 the term of an existing policy beyond its policy period or term.

30 **(e) (f)** As used in this chapter, "termination" means a cancellation

31 or nonrenewal. The term does not include:

32 (1) the requirement of a reasonable deductible;

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

34 (3) reasonable reductions in policy limits or coverage;

35 if the requirements or changes are directly related to the hazard

36 involved and are made on the renewal date for the policy. The term

37 does not include a transfer of a policy to another insurer.

38 SECTION 22. IC 27-7-12-4, AS AMENDED BY P.L.196-2021,

39 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

40 JULY 1, 2026]: Sec. 4. (a) Notice of nonrenewal by an insurer must:

41 (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 expiration of the current policy period;

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

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

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

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

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

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

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

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

SECTION 23. IC 27-7-12-6.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 6.5. (a) When utilizing aerial images as the sole reason for nonrenewing a policy, an insurer shall do the following:**

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

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

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1 **reverse the nonrenewal.**

2 **(3) Establish an appeal process that allows the named insured**

3 **to correct any errors or misunderstandings related to the**

4 **nonrenewal.**

5 **(4) Provide the named insured at least sixty (60) days to cure**

6 **the defects or conditions underlying a nonrenewal after the**

7 **date the insurer identifies the specific conditions under**

8 **subdivision (1). An insurer shall have the right to assess the**

9 **work used to cure the defects or conditions to ensure they**

10 **have been corrected in a manner that meets the standards**

11 **originally communicated by the insurer under subdivision (1).**

12 **(5) Offer a renewal policy to a named insurer who submits**

13 **proof that they have cured the defects or conditions identified**

14 **under subdivision (1). However, an insurer may nonrenew the**

15 **policy only for a reason unrelated to the defects or conditions**

16 **identified under subdivision (1).**

17 **(b) The department shall adopt rules under IC 4-22-2 to**

18 **effectuate the provisions of this section.**

19 SECTION 24. IC 27-7-18.7 IS ADDED TO THE INDIANA CODE

20 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE

21 JULY 1, 2026]:

22 **Chapter 18.7. Property and Casualty Insurance for**

23 **Condominium Units**

24 **Sec. 1. As used in this chapter, "condominium" has the meaning**

25 **set forth in IC 32-25-2-7.**

26 **Sec. 2. As used in this chapter, "condominium unit" has the**

27 **meaning set forth in IC 32-25-2-9.**

28 **Sec. 3. As used in this chapter, "co-owner" has the meaning set**

29 **forth in IC 32-25-2-11.**

30 **Sec. 4. As used in this chapter, "property and casualty**

31 **insurance" means one (1) or more of the types of insurance**

32 **described in IC 27-1-5-1, Class 2 and Class 3.**

33 **Sec. 5. (a) This section applies to a condominium in which all of**

34 **the condominium units:**

35 **(1) were designed and built for occupancy by not more than**

36 **two (2) separate families; and**

37 **(2) contain not more than two (2) separate living quarters.**

38 **(b) Notwithstanding IC 32-25-8-9, the co-owners of a**

39 **condominium described in subsection (a) may obtain property and**

40 **casualty insurance coverage for the condominium units through**

41 **one (1) of the following methods:**

42 **(1) By purchasing a master policy for property and casualty**



insurance.

(2) By allowing each co-owner to purchase property and casualty insurance on an individual basis.

(c) This section may not be construed to relieve the co-owners from any obligation under IC 32-25-8-9 to provide insurance coverage under a master policy for:

(1) the land on which the condominium is located;

(2) swimming pools and other recreational facilities; or

(3) any other parts of the condominium existing for common use.

SECTION 25. IC 27-19-3-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 1.5. The commissioner shall have the authority to do the following:**

(1) Establish any program, promulgate any rule, policy, guideline, or plan, or change any program, rule, policy, or guideline to:

(A) implement;

(B) establish;

(C) create;

(D) administer; or

(E) otherwise operate;

a health benefit exchange.

(2) Apply for, accept, or expend federal money related to the creation, implementation, or operation of a health benefit exchange.

(3) Establish any advisory board or committee that the commissioner deems necessary to provide recommendations on the creation, implementation, or operation of a health benefit exchange.

SECTION 26. IC 34-30-2.1-402, AS ADDED BY P.L.105-2022, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 402. IC 27-1-3-22 (Concerning persons **or** ties reporting fraudulent insurance acts).

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