
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.

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

(1) the department; or

(2) the National Insurance Crime Bureau;

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

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

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

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

(3) The National Association of Insurance Commissioners.

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

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

(6) The National Insurance Crime Bureau.

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

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

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

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

(b) If:

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



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

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

Non-program Affiliated Individual

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

Commercial Entity (Non-redistribution)

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

Nonprofit/Educational Entity

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

6 (b) Data files, reports, or tables not otherwise listed in
 7 subsection (a) or custom data sets must be generated at a base rate
 8 of eighty dollars (\$80) per hour with a minimum one (1) hour
 9 charge applied. An additional fee of three (3) cents must be
 10 charged per individual life generated in the data, report, or table.
 11 A written estimate of the total cost must be provided to an entity
 12 that requests data or information under this subsection before the
 13 request is fulfilled.

14 (c) State or local agencies within the geographical boundaries of
 15 Indiana that request data for public distribution or
 16 non-redistribution purposes may not be charged a fee under this
 17 section.

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.

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

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:

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

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"



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

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

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

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

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

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

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

(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.

SECTION 7. IC 27-2-28-6, AS ADDED BY P.L.226-2023, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE 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



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

- (1) life, annuity, health, or disability insurance;
- (2) mortgage guaranty, financial guaranty, or other forms of insurance offering protection against investment risks;
- (3) fidelity or surety bonds, or any other bonding obligations;
- (4) credit insurance, vendors' single interest insurance, or collateral protection insurance or similar insurance with the primary purpose of protecting the interests of a creditor arising out of a creditor-debtor transaction;
- (5) **other than coverages that may be set forth in a cybersecurity insurance policy, warranty or service contract insurance, including insurance that provides:**
 - (A) **for the repair, replacement, or service of goods or property;**
 - (B) **indemnification for repair, replacement, or service for the operational or structural failure of the goods or property due to a defect in materials, workmanship, or normal wear and tear, or**
 - (C) **reimbursement for the liability incurred by the issuer of agreements or service contracts that provide the benefits described in clauses (A) and (B).**
- (6) title insurance;
- (7) ocean marine insurance;
- (8) a transaction between a person or an affiliate of a person and an insurer or an affiliate of an insurer that involves the transfer of investment or credit risk without a transfer of insurance risk;
- (9) insurance provided by or guaranteed by a government entity; and
- (10) insurance written on a retroactive basis to cover known losses for which a claim has already been made and the claim is known to the insurer at the time the insurance is bound.

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

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



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

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

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

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

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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



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

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

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

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

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

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

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

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

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

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

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

- (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 13. 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:

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

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

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

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

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

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

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

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

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



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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 assessments of each member insurer shall be on a uniform percentage basis in the proportion that the net direct written premiums in this state of the member insurer for the preceding calendar year on the kinds of insurance in the account bears to the net direct written premiums of all member insurers for the preceding calendar year on the kinds of insurance in the account. However, in addition to the pro rata assessments already described, an assessment may be made against each member insurer in a stated amount up to fifty dollars (\$50) per year for the purpose of paying the administrative expenses of the association. There shall be no Class B assessment for any account so long as assets held in such account are sufficient to cover all estimated payments for liquidation in process under such account. Each member insurer shall be notified of the assessment not later than thirty (30) days before it is due. No member insurer may be assessed in any year on any account an amount greater than one percent (1%) of that member insurer's net direct written premiums in this state for the preceding calendar year on the kinds of insurance in the account. If the maximum assessment, together with the other assets of the association in any account, does not provide in any one (1) year in any account an amount sufficient to make all necessary payments from that account, the funds available shall be prorated and the unpaid portion shall be paid as soon thereafter as funds 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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in which the member insurer is authorized to transact insurance. However, during the period of deferment no dividends shall be paid to shareholders or policyholders by a company whose assessment has been deferred. A deferred assessment shall be paid when such payment will not reduce capital or surplus below required minimums. Such payments shall be refunded to those companies whose assessments were increased as the result of such deferment, or at the option of any such company, shall be credited to future assessments against such company.

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

(5) Notify such persons as the commissioner directs under 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.

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

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

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claims and information pertaining thereto during the course of liquidation.

(9) Have the right to review and contest, as set forth in this subsection, settlements, releases, compromises, waivers, and judgments to which the insolvent insurer or its insureds were 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



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

(b) The association may do the following:

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

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

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

(4) Sue or be sued.

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

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

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

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

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

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



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(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 14. 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.

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(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 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.

(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.

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

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

17 (1) would otherwise be a covered claim;

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

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

25 **(d) The association may also, at its sole discretion and without**
 26 **assumption of any ongoing duty to do so, pay any third party**
 27 **claims or cybersecurity insurance obligations covered by a policy**
 28 **or endorsement of an insolvent company on behalf of a high net**
 29 **worth insured. In that case, the association shall recover from the**
 30 **high net worth insured under this section all amounts paid on its**
 31 **behalf, all allocated claim adjusted expenses relating to the claims,**
 32 **the association's attorney's fees, and all court costs in any action**
 33 **necessary to collect the full amount to the association's**
 34 **reimbursement under this section.**

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:



- 1 (1) any other association that is similar to the association; and
 2 (2) the liquidator for an insolvent insurer;
 3 on the same confidential basis.
 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).

11 ~~(g)~~ (h) In an action contesting the applicability of this section to an
 12 insured that refuses to provide financial information under the
 13 procedures established under subsection ~~(d)~~; (e), the insured bears the
 14 burden of proof concerning the insured's net worth at the relevant time.
 15 If the insured fails to prove that the insured's net worth at the relevant
 16 time was less than the applicable amount set forth in section ~~4(a)(5)(A)~~
 17 **4(a)(6)(A)** or ~~4(a)(5)(B)~~ **4(a)(6)(B)** of this chapter, the court shall
 18 award to the association the association's full costs, expenses, and
 19 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:**

- 27 (1) act as a liaison for the association; and
 28 (2) to the extent the association authorizes, bind the
 29 association in agreements or settlements with receivers of
 30 insolvent insurance companies or their designated
 31 representatives.

32 (b) The association, in cooperation with other obligated or
 33 potentially obligated guaranty associations or their designated
 34 representatives, shall make all reasonable efforts to coordinate and
 35 cooperate with receivers or their designated representatives in the
 36 most efficient and uniform manner, including the use of Uniform
 37 Data Standards as promulgated or approved by the National
 38 Association of Insurance Commissioners.

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



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

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

(2) in limits for bodily injury or death not less than those set forth in IC 9-25-4-5 under policy provisions approved by the commissioner of insurance, for the protection of persons insured under the policy provisions who are legally entitled to recover damages from owners or operators of uninsured or underinsured motor vehicles because of bodily injury, sickness or disease, including death resulting therefrom.

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

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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

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umbrella or excess liability policy the coverage described in subsection (a).

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

(A) through the United States mail; or

(B) by electronic means;

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

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

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

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

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

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

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

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

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

(B) that is used:

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

(ii) for purposes authorized by the insured.

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

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

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

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

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

(A) the right to purchase; and

(B) an immediate right of possession of;

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

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

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

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

(A) through the United States mail; or

(B) by electronic means;

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

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

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

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

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

(i) 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 subsection (d).

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

SECTION 19. IC 27-7-6-6, AS AMENDED BY P.L.196-2021, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 6. (a) An insurer shall not fail to renew a policy unless it mails to the named insured, at the address shown in the policy, 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.**



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

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

SECTION 21. IC 27-7-12-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. **(a) As used in this chapter, "aerial image" means an image of a named insured's property captured from an airborne platform.**

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

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

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

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

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

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

- (1) the requirement of a reasonable deductible;
- (2) reasonable changes in the amount of insurance; or
- (3) reasonable reductions in policy limits or coverage;

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

SECTION 22. IC 27-7-12-4, AS AMENDED BY P.L.196-2021, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) Notice of nonrenewal by an insurer must:

- (1) be in writing;

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(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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reverse the nonrenewal.

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

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

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

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

SECTION 24. IC 27-7-18.7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

Chapter 18.7. Property and Casualty Insurance for Condominium Units

Sec. 1. As used in this chapter, "condominium" has the meaning set forth in IC 32-25-2-7.

Sec. 2. As used in this chapter, "condominium unit" has the meaning set forth in IC 32-25-2-9.

Sec. 3. As used in this chapter, "co-owner" has the meaning set forth in IC 32-25-2-11.

Sec. 4. As used in this chapter, "property and casualty insurance" means one (1) or more of the types of insurance described in IC 27-1-5-1, Class 2 and Class 3.

Sec. 5. (a) This section applies to a condominium in which all of the condominium units:

(1) were designed and built for occupancy by not more than two (2) separate families; and

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

(b) Notwithstanding IC 32-25-8-9, the co-owners of a condominium described in subsection (a) may obtain property and casualty insurance coverage for the condominium units through one (1) of the following methods:

(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 entities reporting fraudulent insurance acts).**



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