

2015 Legislation Affecting the Insurance Code

HEA 1341 - Insurance Matters

PL 146-2015, Effective 7/1/2015, unless otherwise noted

- Amends the law concerning internal audits of domestic insurer and insurer group financial statements.
- Requires domestic insurers to establish an internal audit function, unless the insurer meets exemption requirements (EFFECTIVE 1/1/2016)
- Repeals IC 27-1-3.5-3.5.
- Requires an insurer or insurance group to file with the commissioner of insurance an annual corporate governance disclosure.
- Specifies requirements concerning use and disclosure of information related to the annual corporate governance disclosure, beginning January 1, 2016.
- Removes a requirement for placement of the insurance commissioner's (commissioner) signature on approval of a proposed insurer.
- Adds certain: (1) guarantees made by an insurer; and (2) acquisitions or investments; to the list of transactions between a domestic insurer and another person in an insurance holding company system that require prior notice to the commissioner.
- Removes a requirement that a policy insure more than four automobiles for purposes of application of the law concerning cancellation of automobile insurance policies.
- Provides for issuance of the following types of group casualty and liability insurance:
 - Group motor vehicle insurance to participating members of the armed forces
 - Group non-trucking liability insurance to participating group members
 - Group tenant users liability insurance to participating members
- Requires disregard of a spouse's assets in Medicaid eligibility determinations related to long term care insurance (EFFECTIVE UPON PASSAGE).
- Allows the department to adopt emergency rules to conform the definition of "small employer" set forth in IC 27-8-15-14 with the definition set forth in PPACA.
- Provides for registration renewal annually on the last day of the month of issuance, rather than on June 30 of each year, for claim review agents and utilization review agents.
- Provides that a discount medical program organization registration expires annually on the last day of the month of issuance or renewal.
- Excludes information related to title insurance from the law concerning electronic posting or delivery of insurance notices and documents.
- Defines "designated home state license."
- Provides for the licensure for certain out of state insurance producers.
- Specifies a designated home state license fee of \$90.
- Repeals and replaces IC 27-1-27-7 concerning public adjuster violations and penalties.
- Corrects a conflict concerning payment of expenses of the IDOI from the general fund.
- Removes an annual reporting requirement by the police benefit fund to the department of insurance.

Code Citations Affected: IC 27-1-3.5-0.5 (new section); IC 27-1-3.5-2.6 (new section); IC 27-1-3.5-3.1 (new section); IC 27-1-3.5-3.2 (new section); IC 27-1-3.5-3.3 (new section); IC 27-1-3.5-3.4 (new section); IC 27-1-3.5-3.6 (new section); IC 27-1-3.5-3.7 (new section); IC 27-1-3.5-5; IC 27-1-3.5-7; IC 27-1-3.5-9; IC 27-1-3.5-12; IC 27-1-3.5-12.1 (new section); IC 27-1-3.5-12.3 (new section); IC 27-1-3.5-12.5; IC 27-1-4.1 (new chapter); IC 27-1-6-8; IC 27-1-23-4; IC 27-7-6-2; IC 27-7-14 (new chapter); IC 27-7-15 (new chapter); IC 27-7-16 (new chapter); IC 27-8-15-14; IC 27-8-16-6; IC 27-8-17-10; IC 27-17-2-3; IC 27-1-43-8; IC 27-1-44-1; IC 27-1-15.6-2; IC 27-1-15.6-8.2 (new section); IC 27-1-15.6-32; IC 27-1-27-3; IC 27-1-27-7.1 (new section); IC 27-1-3-16

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HEA 1001 - State Biennial Budget

PL 213-2015, Effective 7/1/2015

- Requires the Auditor of State to transfer from the political subdivision risk management fund and the political subdivision catastrophic liability fund to the general fund amounts determined by the State Budget Agency on July 15, 2015.
- Requires the Commissioner to report to the budget committee after June 30, 2016, and before October 1, 2016, regarding any outstanding liabilities of the political subdivision risk management fund and any outstanding liabilities of the political subdivision catastrophic liability fund.
- Provides that upon request by the budget agency, an amount of not more than ten million dollars (\$10,000,000), as determined by the budget agency, shall be transferred from the department of insurance fund established by IC 27-1-3-28 to the Indiana twenty-first century research and technology fund established by IC 5-28-16-2 (for fiscal years beginning July 1, 2015 and July 1, 2016 only).

Code Citations Affected: IC 27-1-3-16

HEA 1021 - Limit on Mine Subsidence Insurance Coverage

PL 35-2015, Effective 7/1/2015

- Raises the maximum amount of mine subsidence insurance coverage that may be reinsured from \$200,000 per structure to \$500,000 per structure.

Code Citations Affected: IC 27-7-9-9

HEA 1065 - Use of Investigational Drugs

PL 2-2015, Effective upon passage

- Provides that a manufacturer of an investigational drug, biological product, or device may make the drug, biological product, or device available to a patient who meets certain requirements.
- Clarifies that IC 27-8-25 and IC 27-13-7-20.2 regarding coverage for care related to clinical trials are not affected by the new chapter.

Code Citations Affected: IC 27-8-25; IC 27-13-7-20.2

HEA 1192 - Uninsured Motorist Damages

PL 136-2015, Effective 7/1/2015

- Specifies that an insurer may not pay noneconomic damages on a motor vehicle insurance claim for a loss incurred by an uninsured motorist who, during the immediately preceding five years, has been required to provide proof of future financial responsibility.

Code Citations Affected: IC 27-7-5.1 (new chapter)

HEA 1269 - Health Matters

PL 185-2015, Effective 7/1/2015

- Provides for coverage of telemedicine services under a policy of accident and sickness insurance and a health maintenance contract.
- Requires the IDOI to report certain information before October 1, 2015, to the public health, behavioral health, and human services interim study committee concerning: (1) the department's accident and sickness insurance complaint process; (2) certain definitions in

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accident and sickness insurance policies; and (3) certain claims data and analysis concerning claim denials for procedures deemed investigatory or experimental.

Code Citations Affected: IC 11-10-12-5.3 (new chapter) IC 27-8-34 (new chapter); IC 27-13-1-34 (new chapter)

HEA 1278 - Transportation Networks

PL 175-2015, Effective 7/1/2015

- Specifies motor vehicle insurance requirements for transportation network companies.
- Specifies requirements for claim payments made by insurance companies under a transportation network company's motor vehicle insurance policy.
- Allows insurance companies writing motor vehicle insurance in Indiana to exclude coverage under a motor vehicle insurance policy issued to an owner or operator of a personal vehicle for a loss or injury that occurs while the driver is logged into a transportation network company's digital network or engaged in a prearranged ride.
- Provides that an insurance company that excludes coverage has no duty to defend or indemnify a claim for coverage that is expressly excluded.
- Provides that an insurance company that defends or indemnifies a claim against a transportation network company driver for which coverage is excluded under the motor vehicle policy has a right of contribution against any other insurance company that issues coverage to the driver in certain instances.
- Requires a transportation network company and an insurance company to cooperate to facilitate the exchange of information in a claim coverage investigation.

Code Citations Affected: IC 27-1-5-1; IC 27-1-3-20; IC 27-1-15.8; IC 27-1-43-3; IC 27-1-22-4

HEA 1472 - Tax Exemptions and Credits

PL 242-2015, Effective 7/1/2015

- Amends the definition of "captive insurer" for insurance regulation and taxation purposes.

Code Citations Affected: IC 27-1-2-2.3

SEA 26 - Coverage of Prescription Eye Drops

PL 43-2015, Effective 7/1/2015

- Requires that, beginning January 1, 2016, certain state employee health plans, policies of accident and sickness insurance, and health maintenance organization contracts must cover refills of prescription eye drops under specified conditions.

Code Citations Affected: IC 27-8-32.1 (new chapter); IC 27-13-7-20.1

SEA 307 - Consumer Protection

PL 227-2015, Effective 7/1/2015

- Adds a new provision to the statute concerning life insurance companies and policies to provide that a life insurance policy or certificate: (1) that is issued after June 30, 2015; (2) the proceeds of which may be designated for use in the purchase of funeral services or merchandise upon the death of the insured; and (3) the ownership of which is not irrevocably assigned to a trustee and used to fund a prepaid funeral services contract under the statute governing such contracts; may not be delivered or issued for delivery in Indiana unless the life insurance policy or certificate either contains or includes in an attached disclaimer certain provisions.
- Provides that an issuer of such a life insurance policy or certificate may not represent to any person that the life insurance policy or certificate is: (1) a contract for prepaid funeral services

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under the statute governing such contracts; or (2) a funeral policy or a policy with any similar designation.

- Provides that a person that willfully violates these provisions commits an unfair and deceptive act or practice in the business of insurance.

Code Citations Affected: IC 27-1-12-46 (new chapter); IC 27-4-1-4

SEA 408 - Real Estate Brokers and Broker Companies

PL 116-2015, Effective 7/1/2015

- Defines "broker company" as a partnership, limited liability company, corporation, or individual acting as a sole proprietorship that is licensed as a broker and, for consideration, undertakes or offers to undertake certain activities with respect to real estate.
- Amends IC 27-7-3-15.5 to require the name and license number of each broker company, instead of the name and license number of each managing broker as previously required, to be reported to the Residential Real Estate Acquisition of Licensee Information and Numbers Database ("RREAL IN"). The name and license number of brokers, if any are involved in the real estate transaction, are still required to be reported.

Code Citations Affected: IC 27-7-3-15.5

SEA 420 - Developmental Disability Terminology

PL 117-2015, Effective 7/1/2015

- Changes the term "mental retardation" to "intellectual disability".

Code Citations Affected: IC 27-8-5-2; IC 27-8-5-19; IC 27-8-10-5.1; IC 34-18-2-11

SEA 425 - Unclaimed Life Insurance Benefits

PL 166-2015, Effective 7/1/2015

- Requires the IDOI to develop, post, and maintain on the Internet information concerning life insurance and financial affairs.
- Specifies that the law concerning unclaimed life insurance benefits: (a) applies to policies, annuities, and retained asset accounts issued after June 30, 2015; and (b) does not prevent the attorney general from performing certain examinations of life insurance company records.
- Repeals a requirement for insurer procedures related to death master file search data.

Code Citations Affected: IC 27-2-23; IC 27-1-3-32

SEA 464 - Mental Health Issues

PL 209-2015, Effective 7/1/2015

- Places restrictions on coverage under a health insurance policy and a health maintenance organization contract for methadone used in pain management.

Code Citations Affected: IC 27-8-32.4 (new chapter); IC 27-13-7-20.4 (new chapter)

SEA 528 - Preservation of Public Records

PL 171-2015, Effective 7/1/2015

- Changes the name of the state commission on public records to the Indiana archives and records administration.
- Makes a conforming reference in IC 27-1-20-21 regarding the destruction of certain annual statements.

Code Citations Affected: IC 27-1-20-21

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