



Reprinted
April 9, 2021

ENGROSSED HOUSE BILL No. 1405

DIGEST OF HB 1405 (Updated April 8, 2021 5:40 pm - DI 55)

Citations Affected: IC 12-7; IC 12-15; IC 16-39; IC 20-28; IC 25-27; IC 27-1; IC 27-4; IC 27-7.

Synopsis: Insurance matters. Authorizes an application for a Medicaid state plan amendment to allow school corporations to seek Medicaid reimbursement for medically necessary, school based Medicaid covered services that are provided under federal or state mandates. Makes changes concerning referrals for these services. Adds provisions concerning the establishment of a new a long term care insurance partnership program. Requires the office of Medicaid policy and planning (office) to apply for a state Medicaid plan amendment that would: (1) provide for the establishment of the new long term care insurance partnership program and the discontinuance of the current
(Continued next page)

Effective: July 1, 2021.

Carbaugh, Lehman, Campbell

(SENATE SPONSORS — ZAY, WALKER G, BUSCH)

January 14, 2021, read first time and referred to Committee on Financial Institutions and Insurance.

February 9, 2021, amended, reported — Do Pass.

February 16, 2021, read second time, ordered engrossed. Engrossed.

February 18, 2021, read third time, passed. Yeas 92, nays 1.

SENATE ACTION

March 1, 2021, read first time and referred to Committee on Insurance and Financial Institutions.

April 1, 2021, amended, reported favorably — Do Pass.

April 8, 2021, read second time, amended, ordered engrossed.

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Digest Continued

long term care program; and (2) ensure that individuals who purchased qualified long term care policies under the current program will be eligible for an asset disregard even if the current program is discontinued. Provides that if approval is not given for the plan amendment, the new program is not established and the office and the department of insurance shall study ways to improve the affordability and cost effectiveness of the current program. Requires a provider to provide the health records requested by a patient within 30 days after the date of a written request unless the provider: (1) requests an extension; and (2) provides written notice of the reasons for the extension and the date by which the provider will provide the health records. Allows a provider to be fined for not complying with the health records deadline. Provides that an agreement between a pharmacy benefit manager and a health plan must require the pharmacy benefit manager to annually provide a notice to each individual covered under the health plan that: (1) explains what a rebate is; (2) explains how rebates accrue to a health plan from a manufacturer; and (3) states the aggregate amount of rebates that accrued to the health plan for prescription drugs dispensed or administered to individuals covered under the health plan during the previous policy year. Provides that if a resident insurance producer completed more than 24 hours of credit in continuing education courses before the effective date of the producer's last license renewal, not more than 12 of the excess hours of credit may apply toward satisfaction of the requirement for the producer's next license renewal, subject to certain restrictions. Provides that a merchant that merely acts as an agent for purposes of the sale of an auto service contract is not contractually obligated under the service contract. Provides, as an exception to the general prohibition against rebates, that: (1) an insurer or an insurance producer acting on the insurance producer's own behalf may offer and give gifts of limited value and may conduct drawings for prizes of limited value; and (2) an insurer may provide certain products or services for free or at a discount if certain conditions are met. Amends the law requiring an insurer to provide 10 days' advance notice of the cancellation or nonrenewal of an automobile policy to the insurance producer who procured the policy to make the law apply only if the insurance producer who procured the policy was an independent insurance producer. Amends code sections requiring an insurer to "deliver" or "provide" certain notices within a certain time period to make those sections provide instead that the insurer is required to "mail" the notices. Provides that if a party procures a policy of insurance through an online platform: (1) the party affirmatively consents to have all notices related to the policy delivered to the party electronically; and (2) other statutory prerequisites to the electronic delivery of notices do not apply.



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April 9, 2021

First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1405

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 12-7-2-155.4 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2021]: **Sec. 155.4. (a) This section applies**
4 **after June 30, 2023.**

5 (b) "Qualified provider", for purposes of IC 12-15-1-16, means:
6 (1) a school based nurse; or
7 (2) another provider who:
8 (A) is licensed and in good standing with the Indiana
9 professional licensing agency; and
10 (B) is employed by or contracts with a school corporation
11 that participates in Medicaid.

12 SECTION 2. IC 12-7-2-170.5 IS ADDED TO THE INDIANA
13 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
14 [EFFECTIVE JULY 1, 2021]: **Sec. 170.5. (a) This section applies**
15 **after June 30, 2023.**

16 (b) "School based nurse", for purposes of section 155.4 of this
17 chapter and IC 12-15-1-16, means a registered nurse or licensed

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1 **practical nurse licensed under IC 25-23-1 who is employed by or**
 2 **contracts with a school corporation that participates in Medicaid**
 3 **to provide school based Medicaid covered services for a Medicaid**
 4 **recipient.**

5 SECTION 3. IC 12-15-1-16, AS AMENDED BY P.L.108-2019,
 6 SECTION 193, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2021]: Sec. 16. (a) Each:

8 (1) school corporation; or

9 (2) school corporation's employed, licensed, or qualified provider;
 10 must enroll in a program to use federal funds under the Medicaid
 11 program (IC 12-15-1 et seq.) with the intent to share the costs of
 12 services that are reimbursable under the Medicaid program and that are
 13 provided to eligible children by the school corporation. However, a
 14 school corporation or a school corporation's employed, licensed, or
 15 qualified provider is not required to file any claims or participate in the
 16 program developed under this section.

17 (b) The secretary and the department of education may develop
 18 policies and adopt rules to administer the program developed under this
 19 section.

20 (c) The federal reimbursement for services provided under this
 21 section must be distributed to the school corporation. The state shall
 22 retain the nonfederal share of the reimbursement for Medicaid services
 23 provided under this section.

24 (d) The office of Medicaid policy and planning, with the approval
 25 of the budget agency and after consultation with the department of
 26 education, shall establish procedures for the timely distribution of
 27 federal reimbursement due to the school corporations. The distribution
 28 procedures may provide for offsetting reductions to distributions of
 29 state tuition support or other state funds to school corporations in the
 30 amount of the nonfederal reimbursements required to be retained by the
 31 state under subsection (c).

32 **(e) This subsection applies after June 30, 2023. The office may**
 33 **apply to the United States Department of Health and Human**
 34 **Services for a state plan amendment to allow school corporations**
 35 **to seek Medicaid reimbursement for medically necessary, school**
 36 **based Medicaid covered services that are provided under federal**
 37 **or state mandates. If the state plan amendment is approved and**
 38 **implemented, and subject to subsection (g), services may be**
 39 **provided by a qualified provider in a school setting to Medicaid**
 40 **enrolled students, if the services are offered pursuant to any of the**
 41 **following:**

42 (1) An individualized education program (as defined in



- 1 **IC 20-18-2-9).**
 2 **(2) A plan developed under Section 504 of the federal**
 3 **Rehabilitation Act, 29 U.S.C. 794.**
 4 **(3) A behavioral intervention plan (as defined in**
 5 **IC 20-20-40-1).**
 6 **(4) A service plan developed under 511 IAC 7-34.**
 7 **(5) An individualized health care plan.**
 8 **The office may, in consultation with the department of education,**
 9 **develop any necessary state plan amendment under this subsection.**
 10 **The office may apply for any state plan amendment necessary to**
 11 **implement this subsection.**
 12 **(f) This subsection applies after June 30, 2023. If the state plan**
 13 **amendment described in subsection (e) is approved and**
 14 **implemented, the medically necessary, school based Medicaid**
 15 **covered services described in subsection (e):**
 16 **(1) may only be performed by a qualified provider;**
 17 **(2) must be within the qualified provider's scope of practice;**
 18 **and**
 19 **(3) must be provided in accordance with this article and**
 20 **administrative rules concerning the Medicaid program.**
 21 **(g) This subsection applies after June 30, 2023. Services under**
 22 **subsection (e) may not include the following:**
 23 **(1) An abortion.**
 24 **(2) Counseling for abortion procedures.**
 25 **(3) Referrals for abortion services.**
 26 **(4) Abortifacients.**
 27 **(5) Contraceptives.**
 28 **SECTION 4. IC 12-15-1.3-22 IS ADDED TO THE INDIANA**
 29 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
 30 **[EFFECTIVE JULY 1, 2021]: Sec. 22. (a) Before December 31, 2021,**
 31 **the office of Medicaid policy and planning shall apply to the United**
 32 **States Department of Health and Human Services for a state plan**
 33 **amendment that:**
 34 **(1) provides for establishment of the long term care**
 35 **partnership program as described in IC 12-15-39.8;**
 36 **(2) provides that the long term care program established**
 37 **under IC 12-15-39.6 shall be discontinued on the date on**
 38 **which the long term care partnership program described in**
 39 **IC 12-15-39.8 is fully implemented; and**
 40 **(3) ensures, with the explicit concurrence of the United States**
 41 **Department of Health and Human Services, that an individual**
 42 **who purchased a qualified long term care policy (as defined**



1 in IC 12-15-39.6-5) before the discontinuance of the long term
 2 care program established under IC 12-15-39.6 shall be eligible
 3 for an asset disregard under IC 12-15-39.6-10
 4 notwithstanding the discontinuance of the long term care
 5 program, as provided in IC 12-15-39.6-12.

6 (b) If the office receives approval for the state plan amendment
 7 described in subsection (a):

8 (1) the office shall implement the state plan amendment not
 9 later than sixty (60) days after the state plan amendment is
 10 approved; and

11 (2) the office shall publish in the Indiana Register under
 12 IC 4-22-7-7 a statement:

13 (A) announcing that the state plan amendment described
 14 in subsection (a) has been approved by the United States
 15 Department of Health and Human Services; and

16 (B) setting forth the date on which:

17 (i) the office will fully implement the state plan
 18 amendment under subsection (b)(1); and

19 (ii) the long term care program established under
 20 IC 12-15-39.6 will be discontinued.

21 (c) If the office does not receive approval for a state plan
 22 amendment described in subsection (a):

23 (1) the office shall take no action under subsection (b); and

24 (2) the office and the department of insurance:

25 (A) shall study:

26 (i) the long term care program established under
 27 IC 12-15-39.6, including the affordability and cost
 28 effectiveness of the program for individuals who
 29 purchase qualified long term care policies (as defined in
 30 IC 12-15-39.6-5); and

31 (ii) the affordability and cost effectiveness of long term
 32 care partnership programs established under Section
 33 6021 of the federal Deficit Reduction Act of 2005;

34 (B) may solicit the comments and recommendations of
 35 individuals with experience and expertise in the fields of
 36 Medicaid, insurance, personal finance, and government
 37 concerning the subjects set forth in clause (A);

38 (C) shall make findings and recommendations concerning
 39 ways in which the affordability and cost effectiveness of the
 40 long term care program established under IC 12-15-39.6
 41 can be improved; and

42 (D) shall, not later than December 1, 2022:



- 1 (i) issue a report setting forth the findings and
 2 recommendations made under clause (C); and
 3 (ii) submit the report to the executive director of the
 4 legislative services agency in an electronic format under
 5 IC 5-14-6 for distribution to the members of the general
 6 assembly.

7 SECTION 5. IC 12-15-39.6-0.5 IS ADDED TO THE INDIANA
 8 CODE AS A NEW SECTION TO READ AS FOLLOWS
 9 [EFFECTIVE JULY 1, 2021]: **Sec. 0.5. (a) Notwithstanding**
 10 **IC 12-15-39.8, the asset disregard under section 10 of this chapter**
 11 **applies to any qualified long term care policy to which this chapter**
 12 **applies.**

13 (b) This chapter does not apply to a qualified long term care
 14 policy issued after the long term care program established by this
 15 chapter is discontinued.

16 (c) Subject to section 12 of this chapter, the long term care
 17 program established by this chapter is discontinued on the date set
 18 forth under IC 12-15-1.3-22(b)(2)(B)(ii) in the statement published
 19 in the Indiana Register by the office of Medicaid policy and
 20 planning.

21 SECTION 6. IC 12-15-39.8 IS ADDED TO THE INDIANA CODE
 22 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2021]:

24 **Chapter 39.8. Long Term Care Insurance Partnership Program**

25 **Sec. 1. (a) Notwithstanding sections 4 through 8 of this chapter:**

- 26 (1) the Indiana long term care insurance partnership program
 27 is established; and
 28 (2) the duties, powers, and responsibilities set forth in sections
 29 4 through 8 of this chapter are imposed, conferred, and
 30 established;

31 on the date set forth under IC 12-15-1.3-22(b)(2)(B)(i) in the
 32 statement published in the Indiana Register by the office of
 33 Medicaid policy and planning.

34 (b) Subject to subsection (a), this chapter applies to qualified
 35 long term care insurance policies that are entered into, issued, or
 36 renewed after June 30, 2022.

37 **Sec. 2. As used in this chapter, "program" means the Indiana**
 38 **long term care insurance partnership program established by**
 39 **section 4(a) of this chapter.**

40 **Sec. 3. As used in this chapter, "qualified long term care**
 41 **insurance policy" means an insurance policy that meets the**
 42 **following requirements:**



- 1 (1) The policy covers an individual who was a resident of the
 2 state when the coverage first became effective under the
 3 policy.
 4 (2) The policy was not issued before the effective date of the
 5 state plan amendment applied for under IC 12-15-1.3-22.
 6 (3) The policy meets the definition of a qualified long term
 7 care insurance contract under 26 U.S.C. 7702B.
 8 (4) The policy meets the model regulations and requirements
 9 of the model act of the National Association of Insurance
 10 Commissioners provided in 42 U.S.C. 1396p(b)(5).
 11 (5) The policy includes inflation protection as follows:
 12 (A) If the policy is sold to an individual who was less than
 13 sixty-one (61) years of age as of the date of purchase, the
 14 policy must provide compound inflation protection.
 15 (B) If the policy is sold to an individual who was at least
 16 sixty-one (61) years of age but less than seventy-six (76)
 17 years of age as of the date of purchase, the policy must
 18 provide some level of inflation protection.
 19 (C) If the policy is sold to an individual who is at least
 20 seventy-six (76) years of age, the policy may, but is not
 21 required to, provide some level of inflation protection.
 22 (6) The department of insurance certifies that the policy meets
 23 the requirements of subdivisions (3), (4), and (5).
 24 Sec. 4. (a) The Indiana long term care insurance partnership
 25 program is established.
 26 (b) The office of Medicaid policy and planning and the
 27 department of insurance shall administer the program in
 28 accordance with Section 6021 of the federal Deficit Reduction Act
 29 of 2005.
 30 Sec. 5. Under the program, the office of Medicaid policy and
 31 planning must exclude and disregard an amount equal to the
 32 amount of benefits an individual receives under a qualified long
 33 term care insurance policy when determining the following:
 34 (1) The individual's resources for purposes of determining
 35 eligibility for Medicaid under IC 12-15-3.
 36 (2) The amount to be recovered from the individual's estate
 37 under IC 12-15-9 if the individual is eligible for Medicaid.
 38 Sec. 6. (a) The department of insurance shall develop a training
 39 program for insurance producers who sell qualified long term care
 40 insurance policies that includes a certified prelicensing course and
 41 continuing education courses. The courses must cover, at a
 42 minimum, the following topics:



- 1 **(1) State and federal regulations and requirements and the**
 2 **relationship between qualified long term care insurance**
 3 **policies and other public and private coverage of long term**
 4 **care services, including Medicaid.**
 5 **(2) Available long term care services and providers.**
 6 **(3) Changes or improvements in long term care services or**
 7 **providers.**
 8 **(4) Alternatives to the purchase of private long term care**
 9 **insurance.**
 10 **(5) The effect of inflation on benefits and the importance of**
 11 **inflation protection.**
 12 **(6) Consumer suitability standards and guidelines.**
 13 **(b) An insurance producer must:**
 14 **(1) complete the certified prelicensing course established**
 15 **under subsection (a) before the insurance producer may sell,**
 16 **solicit, or negotiate a qualified long term care insurance**
 17 **policy; and**
 18 **(2) attend a continuing education course established under**
 19 **subsection (a) at least once every twenty-four (24) months to**
 20 **continue to sell, solicit, or negotiate a qualified long term care**
 21 **insurance policy.**
 22 **Sec. 7. An insurer that issues a qualified long term care**
 23 **insurance policy shall provide regular reports to:**
 24 **(1) the Secretary of the United States Department of Health**
 25 **and Human Services, as required by federal regulations; and**
 26 **(2) the office of Medicaid policy and planning and the**
 27 **department of insurance, as required by those entities.**
 28 **Sec. 8. The secretary of family and social services and the**
 29 **department of insurance may adopt rules under IC 4-22-2**
 30 **necessary to implement this chapter.**
 31 SECTION 7. IC 16-39-1-1, AS AMENDED BY P.L.157-2006,
 32 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2021]: Sec. 1. (a) This section applies to all health records
 34 except mental health records, which are governed by IC 16-39-2,
 35 IC 16-39-3, and IC 16-39-4.
 36 (b) This article applies to all health records, except:
 37 (1) records regarding communicable diseases, which are governed
 38 by IC 16-41-8-1; or
 39 (2) records regarding alcohol and other drug abuse patient
 40 records, which are governed by 42 CFR, Part 2.
 41 (c) On written request and reasonable notice, a provider shall supply
 42 to a patient the health records possessed by the provider concerning the



1 patient. Subject to 15 U.S.C. 7601 et seq. and 16 CFR Part 315,
 2 information regarding contact lenses must be given using the following
 3 guidelines:

4 (1) After the release of a patient from an initial fitting and
 5 follow-up period of not more than six (6) months, the contact lens
 6 prescription must be released to the patient at the patient's
 7 request.

8 (2) A prescription released under subdivision (1) must contain all
 9 information required to properly duplicate the contact lenses.

10 (3) A contact lens prescription must include the following:

11 (A) An expiration date of one (1) year.

12 (B) The number of refills permitted.

13 (4) Instructions for use must be consistent with:

14 (A) recommendations of the contact lens manufacturer;

15 (B) clinical practice guidelines; and

16 (C) the professional judgment of the prescribing optometrist
 17 or physician licensed under IC 25-22.5.

18 After the release of a contact lens prescription under this subsection,
 19 liability for future fittings or dispensing of contact lenses under the
 20 original prescription lies with the dispensing company or practitioner.

21 (d) On a patient's written request and reasonable notice, a provider
 22 shall furnish to the patient or the patient's designee the following:

23 (1) A copy of the patient's health record used in assessing the
 24 patient's health condition.

25 (2) At the option of the patient, the pertinent part of the patient's
 26 health record relating to a specific condition, as requested by the
 27 patient.

28 (e) **Subject to section 5 of this chapter, a request made provider**
 29 **shall provide the health records requested** under this section ~~is valid~~
 30 ~~for sixty (60) within thirty (30)~~ **within thirty (30)** days after the date the **written** request
 31 is made, **unless the provider:**

32 **(1) within the initial thirty (30) days, seeks an extension of not**
 33 **more than thirty (30) days; and**

34 **(2) informs the patient in writing of the reasons for the**
 35 **extension and the date by which the provider will provide the**
 36 **health records.**

37 **Health records requested under this section must be provided as**
 38 **soon as practicably possible.**

39 **(f) In addition to any action taken under IC 16-19-3-18, the state**
 40 **department may impose a fine against a provider not to exceed five**
 41 **thousand dollars (\$5,000) for not complying with the requirements**
 42 **of this section.**



1 SECTION 8. IC 20-28-1-11, AS AMENDED BY P.L.197-2007,
 2 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2021]: Sec. 11. School psychology means the following:

4 (1) Administering, scoring, and interpreting educational,
 5 cognitive, career, vocational, behavioral, and affective tests and
 6 procedures that address a student's:

7 (A) education;

8 (B) developmental status;

9 (C) attention skills; and

10 (D) social, emotional, and behavioral functioning;

11 as they relate to the student's learning or training in the academic
 12 or vocational environment.

13 (2) Providing consultation, collaboration, and intervention
 14 services (not including psychotherapy) and providing referral to
 15 community resources to:

16 (A) students;

17 (B) parents of students;

18 (C) teachers;

19 (D) school administrators; and

20 (E) school staff;

21 concerning learning and performance in the educational process.

22 (3) Participating in or conducting research relating to a student's
 23 learning and performance in the educational process:

24 (A) regarding the educational, developmental, career,
 25 vocational, or attention functioning of the student; or

26 (B) screening social, affective, and behavioral functioning of
 27 the student.

28 (4) Providing inservice or continuing education services relating
 29 to learning and performance in the educational process to schools,
 30 parents, or others.

31 (5) Supervising school psychology services.

32 (6) Referring a student: ~~to~~

33 (A) ~~to~~ a speech-language pathologist or an audiologist
 34 licensed under IC 25-35.6 for services for speech, hearing, and
 35 language disorders; ~~or~~

36 (B) ~~to~~ an occupational therapist licensed under IC 25-23.5 for
 37 occupational therapy services; ~~or~~

38 (C) **after June 30, 2023, to a physical therapist licensed**
 39 **under IC 25-27 for mandated school services within a**
 40 **physical therapist's scope of practice;**

41 by a school psychologist who is employed by a school corporation
 42 and who is defined as a practitioner of the healing arts for the



1 purpose of referrals under 42 CFR 440.110.

2 The term does not include the diagnosis or treatment of mental and
 3 nervous disorders, except for conditions and interventions provided for
 4 in state and federal mandates affecting special education and
 5 vocational evaluations as the evaluations relate to the assessment of
 6 handicapping conditions and special education decisions or as the
 7 evaluations pertain to the placement of children and the placement of
 8 adults with a developmental disability.

9 SECTION 9. IC 25-27-1-2, AS AMENDED BY P.L.160-2019,
 10 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2021]: Sec. 2. (a) Except as otherwise provided in this
 12 chapter, it is unlawful for a person or business entity to do the
 13 following:

14 (1) Practice physical therapy without first obtaining from the
 15 board a license authorizing the person to practice physical therapy
 16 in this state.

17 (2) Profess to be or promote an employee to be a physical
 18 therapist, physiotherapist, doctor of physiotherapy, doctor of
 19 physical therapy, or registered physical therapist or to use the
 20 initials P.T., D.P.T., L.P.T., or R.P.T., or any other letters, words,
 21 abbreviations, or insignia indicating that physical therapy is
 22 provided by a physical therapist, unless physical therapy is
 23 provided by or under the direction of a physical therapist.

24 (3) Advertise services for physical therapy or physiotherapy
 25 services, unless the individual performing those services is a
 26 physical therapist.

27 (b) Except as provided in **subsection (e) and** section 2.5 of this
 28 chapter, it is unlawful for a person to practice physical therapy other
 29 than upon the order or referral of a physician, podiatrist, psychologist,
 30 chiropractor, dentist, nurse practitioner, or physician assistant holding
 31 an unlimited license to practice medicine, podiatric medicine,
 32 psychology, chiropractic, dentistry, nursing, or as a physician assistant,
 33 respectively. It is unlawful for a physical therapist to use the services
 34 of a physical therapist assistant except as provided under this chapter.
 35 For the purposes of this subsection, the function of:

36 (1) teaching;

37 (2) doing research;

38 (3) providing advisory services; or

39 (4) conducting seminars on physical therapy;

40 is not considered to be a practice of physical therapy.

41 (c) Except as otherwise provided in this chapter, it is unlawful for
 42 a person to profess to be or act as a physical therapist assistant or to use



1 the initials P.T.A. or any other letters, words, abbreviations, or insignia
 2 indicating that the person is a physical therapist assistant without first
 3 obtaining from the board a certificate authorizing the person to act as
 4 a physical therapist assistant. It is unlawful for the person to act as a
 5 physical therapist assistant other than under the general supervision of
 6 a licensed physical therapist who is in responsible charge of a patient.
 7 However, nothing in this chapter prohibits a person licensed or
 8 registered in this state under another law from engaging in the practice
 9 for which the person is licensed or registered. These exempted persons
 10 include persons engaged in the practice of osteopathic medicine,
 11 chiropractic, or podiatric medicine.

12 (d) Except as provided in section 2.5 of this chapter, this chapter
 13 does not authorize a person who is licensed as a physical therapist or
 14 certified as a physical therapist assistant to:

- 15 (1) evaluate any physical disability or mental disorder except
 16 upon the order or referral of a physician, podiatrist, psychologist,
 17 chiropractor, physician assistant, nurse practitioner, or dentist;
- 18 (2) practice medicine, surgery (as described in
 19 IC 25-22.5-1-1.1(a)(1)(C)), dentistry, optometry, osteopathic
 20 medicine, psychology, chiropractic, or podiatric medicine; or
- 21 (3) prescribe a drug or other remedial substance used in medicine.

22 **(e) This subsection applies after June 30, 2023. Upon the**
 23 **referral of a licensed school psychologist, a physical therapist who**
 24 **is:**

- 25 **(1) licensed under this article; and**
 - 26 **(2) an employee or contractor of a school corporation;**
- 27 **may provide mandated school services to a student that are within**
 28 **the physical therapist's scope of practice.**

29 SECTION 10. IC 27-1-15.7-2, AS AMENDED BY P.L.148-2017,
 30 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2021]: Sec. 2. (a) Except as provided in subsection (b), to
 32 renew a license issued under IC 27-1-15.6, a resident insurance
 33 producer must complete at least twenty-four (24) hours of credit in
 34 continuing education courses, not more than four (4) hours of which
 35 may be in courses concerning one (1) or a combination of the
 36 following:

- 37 (1) Sales promotion.
- 38 (2) Sales technique.
- 39 (3) Motivation.
- 40 (4) Psychology.
- 41 (5) Time management.

42 If the insurance producer has a qualification described in



1 IC 27-1-15.6-7(a)(1), IC 27-1-15.6-7(a)(2), or IC 27-1-15.6-7(a)(5), for
 2 a license renewal that occurs after June 30, 2014, at least three (3) of
 3 the hours of credit required by this subsection must be related to ethical
 4 practices in the marketing and sale of life, health, or annuity insurance
 5 products. An attorney in good standing who is admitted to the practice
 6 of law in Indiana and holds a license issued under IC 27-1-15.6 may
 7 complete all or any number of hours of continuing education required
 8 by this subsection by completing an equivalent number of hours in
 9 continuing legal education courses that are related to the business of
 10 insurance.

11 (b) Except as provided in subsection (c), to renew a license issued
 12 under IC 27-1-15.6, a limited lines producer with a title qualification
 13 under IC 27-1-15.6-7(a)(8) must complete at least seven (7) hours of
 14 credit in continuing education courses related to the business of title
 15 insurance with at least one (1) hour of instruction in a structured setting
 16 or comparable self-study in each of the following:

- 17 (1) Ethical practices in the marketing and selling of title
 18 insurance.
- 19 (2) Title insurance underwriting.
- 20 (3) Escrow issues.
- 21 (4) Principles of the federal Real Estate Settlement Procedures
 22 Act (12 U.S.C. 2608).

23 An attorney in good standing who is admitted to the practice of law in
 24 Indiana and holds a license issued under IC 27-1-15.6 with a title
 25 qualification under IC 27-1-15.6-7(a)(8) may complete all or any
 26 number of hours of continuing education required by this subsection by
 27 completing an equivalent number of hours in continuing legal
 28 education courses related to the business of title insurance or any
 29 aspect of real property law.

30 (c) The following insurance producers are not required to complete
 31 continuing education courses to renew a license under this chapter:

- 32 (1) A limited lines producer who is licensed without examination
 33 under IC 27-1-15.6-18(1).
- 34 (2) A limited line credit insurance producer.
- 35 (3) A nonresident limited lines producer with a title qualification:
 36 (A) whose home state requires continuing education for a title
 37 qualification; and
 38 (B) who has met the continuing education requirements
 39 described in clause (A).

40 (d) **Except as provided in section 2.2 of this chapter**, to satisfy the
 41 requirements of subsection (a) or (b), a licensee may use only those
 42 credit hours earned in continuing education courses completed by the



- 1 licensee:
- 2 (1) after the effective date of the licensee's last renewal of a
- 3 license under this chapter; or
- 4 (2) if the licensee is renewing a license for the first time, after the
- 5 date on which the licensee was issued the license under this
- 6 chapter.
- 7 (e) If an insurance producer receives qualification for a license in
- 8 more than one (1) line of authority under IC 27-1-15.6, the insurance
- 9 producer may not be required to complete a total of more than
- 10 twenty-four (24) hours of credit in continuing education courses to
- 11 renew the license.
- 12 (f) Except as provided in subsection (g), a licensee may receive
- 13 credit only for completing the following continuing education courses:
- 14 (1) Continuing education courses that have been approved by the
- 15 commissioner under section 4 of this chapter.
- 16 (2) Continuing education courses that are required for the licensee
- 17 under IC 27-19-4-14.
- 18 (g) A licensee who teaches a course approved by the commissioner
- 19 under section 4 of this chapter shall receive continuing education credit
- 20 for teaching the course.
- 21 (h) When a licensee renews a license issued under this chapter, the
- 22 licensee must submit:
- 23 (1) a continuing education statement that:
- 24 (A) is in a format authorized by the commissioner;
- 25 (B) is signed by the licensee under oath; and
- 26 (C) lists the continuing education courses completed by the
- 27 licensee to satisfy the continuing education requirements of
- 28 this section; and
- 29 (2) any other information required by the commissioner.
- 30 (i) A continuing education statement submitted under subsection (h)
- 31 may be reviewed and audited by the department.
- 32 (j) A licensee shall retain a copy of the original certificate of
- 33 completion received by the licensee for completion of a continuing
- 34 education course.
- 35 (k) A licensee who completes a continuing education course that:
- 36 (1) is approved by the commissioner under section 4 of this
- 37 chapter;
- 38 (2) is held in a classroom setting; and
- 39 (3) concerns ethics;
- 40 shall receive continuing education credit not to exceed four (4) hours
- 41 in a renewal period.
- 42 SECTION 11. IC 27-1-15.7-2.2 IS ADDED TO THE INDIANA



1 CODE AS A NEW SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2021]: **Sec. 2.2. (a) This section applies to the**
 3 **renewal of a license under this chapter after December 31, 2021.**

4 **(b) If a resident insurance producer completed more than**
 5 **twenty-four (24) hours of credit in continuing education courses**
 6 **before the effective date of the producer's last renewal under this**
 7 **chapter of a license issued under IC 27-1-15.6, the producer,**
 8 **instead of completing twenty-four (24) hours of credit in continuing**
 9 **education courses after the effective date of the producer's last**
 10 **license renewal as otherwise required under section 2(d) of this**
 11 **chapter, may satisfy the continuing education requirement of**
 12 **section 2 of this chapter for the producer's next license renewal**
 13 **through a combination of:**

14 **(1) credit for continuing education courses completed by the**
 15 **producer before the effective date of the producer's last**
 16 **license renewal; and**

17 **(2) credit for continuing education courses completed by the**
 18 **producer after the effective date of the producer's last license**
 19 **renewal.**

20 **(c) To apply toward satisfaction of the continuing education**
 21 **requirement for a producer's next license renewal under**
 22 **subsection (b)(1), credit for a continuing education course**
 23 **completed by the producer before the effective date of the**
 24 **producer's last license renewal must not have applied toward**
 25 **satisfaction of the continuing education requirement for the**
 26 **producer's last license renewal.**

27 **(d) A producer satisfies the continuing education requirement**
 28 **of section 2 of this chapter under subsection (b) for the producer's**
 29 **next license renewal if the sum of:**

30 **(1) the credit hours applied toward the requirement under**
 31 **subsection (b)(1); plus**

32 **(2) the credit hours applied toward the requirement under**
 33 **subsection (b)(2);**

34 **is twenty-four (24).**

35 **(e) Not more than twelve (12) hours of credit in continuing**
 36 **education courses completed by a producer before the effective**
 37 **date of the producer's last license renewal may be applied toward**
 38 **satisfying the continuing education requirement of section 2 of this**
 39 **chapter for the producer's next license renewal under subsection**
 40 **(b)(1).**

41 **(f) The credit for a producer's completion of a continuing**
 42 **education course may not be applied toward satisfying the**



1 continuing education requirement of section 2 of this chapter
 2 under subsection (b)(1) unless the producer completed the
 3 continuing education course not more than one hundred twenty
 4 (120) days before the effective date of the producer's last license
 5 renewal.

6 (g) Credit for a producer's completion of a continuing education
 7 course on the subject of:

8 (1) ethics; or

9 (2) long term care insurance;

10 before the effective date of the producer's last license renewal may
 11 not be applied toward satisfying the continuing education
 12 requirement of section 2 of this chapter for the producer's next
 13 license renewal under subsection (b)(1).

14 (h) The credit for a producer's completion of a continuing
 15 education course, whether applied toward the continuing education
 16 requirement of section 2 of this chapter under subsection (b)(1),
 17 subsection (b)(2), or section 2(d) of this chapter, may be applied
 18 toward the requirement only once.

19 (i) The commissioner shall adopt rules under IC 4-22-2 to
 20 implement this section.

21 SECTION 12. IC 27-1-20-30 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 30. (a) **This section**
 23 **does not prohibit activities allowed under IC 27-1-47.**

24 (a) (b) No company acting through its officers or members,
 25 attorney-in-fact, or by any other party, no officer of a company acting
 26 on the officer's own behalf and no insurance producer, broker, or
 27 solicitor, personally or by any other party, shall offer, promise, allow,
 28 give, set off or pay, directly or indirectly, any rebate of or part of the
 29 premium payable on a policy, or any insurance producer's commission
 30 thereon, or earnings, profits, dividends or other benefits founded,
 31 arising, accruing, or to accrue thereon or therefrom, or any special
 32 advantage in date of policy or age of issue, or any paid employment or
 33 contract for services of any kind, or any other valuable consideration
 34 or inducement, to or for insurance on any risk in this state, now or
 35 hereafter to be written, or for or upon any renewal of any such
 36 insurance, which is not specified in the policy contract of insurance, or
 37 offer, promise, give, option, sell or purchase any stocks, bonds,
 38 securities, or property, or any dividends or profits accruing or to accrue
 39 thereon, or other thing of value whatsoever as inducement to insurance
 40 or in connection therewith, or any renewal thereof, which is not
 41 specified in the policy. Nothing in this section shall prevent a company
 42 which transacts industrial life insurance on a weekly payment plan



1 from returning to policyholders who have made a premium payment for
 2 a period of at least one (1) year directly to the company at its home or
 3 district office a percentage of premium which the company would
 4 otherwise have paid for the weekly collection of such premium, nor
 5 shall this section be construed to prevent the taking of a bona fide
 6 obligation, with legal interest, in payment of any premium.

7 ~~(b)~~ (c) No insured person or party or applicant for insurance shall
 8 directly or indirectly, receive or accept, or agree to receive or accept,
 9 any rebate of premium or of any part thereof, or all or any part of any
 10 insurance producer's or broker's commission thereon, or any favor or
 11 advantage, or share in any benefit to accrue under any policy of
 12 insurance, or any valuable consideration or inducement, other than
 13 such as are specified in the policy.

14 SECTION 13. IC 27-1-22-18 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 18. (a) **This section**
 16 **does not prohibit activities allowed under IC 27-1-47.**

17 (b) No insurer, broker, or insurance producer shall knowingly
 18 charge, demand, or receive a premium for any policy of insurance
 19 except in accordance with the provisions of this chapter. No insurer or
 20 employee thereof, and no broker or insurance producer shall pay, allow,
 21 or give, directly or indirectly, as an inducement to insurance, or after
 22 insurance has been effected, any rebate, discount, abatement, credit, or
 23 reduction of the premium named in a policy of insurance, or any
 24 special favor or advantage in the dividends or other benefits to accrue
 25 thereon, or any valuable consideration or inducement whatever, not
 26 specified in the policy of insurance, except to the extent provided for
 27 in applicable filings. No insured named in any policy of insurance shall
 28 knowingly receive or accept, directly or indirectly, any such rebate,
 29 discount, abatement, credit or reduction of premium, or any such
 30 special favor or advantage or valuable consideration or inducement.
 31 Nothing in this section shall be construed as prohibiting the payment
 32 of, nor permitting the regulation of the payment of, commissions or
 33 other compensation to duly licensed insurance producers and brokers,
 34 nor as prohibiting, or permitting the regulation of, any insurer from
 35 allowing or returning to its participating policyholders or members,
 36 dividends or savings.

37 SECTION 14. IC 27-1-24.5-5, AS ADDED BY P.L.68-2020,
 38 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2021]: Sec. 5. As used in this chapter, "health plan" means the
 40 following:

- 41 (1) A state employee health plan (as defined in IC 5-10-8-6.7).
- 42 (2) A policy of accident and sickness insurance (as defined in



1 IC 27-8-5-1). However, the term does not include the coverages
2 described in IC 27-8-5-2.5(a).

3 (3) An individual contract (as defined in IC 27-13-1-21) or a
4 group contract (as defined in IC 27-13-1-16) that provides
5 coverage for basic health care services (as defined in
6 IC 27-13-1-4).

7 **(4) Any other plan or program that provides payment,
8 reimbursement, or indemnification to a covered individual for
9 the cost of prescription drugs.**

10 SECTION 15. IC 27-1-24.5-22.1 IS ADDED TO THE INDIANA
11 CODE AS A NEW SECTION TO READ AS FOLLOWS
12 [EFFECTIVE JULY 1, 2021]: **Sec. 22.1. (a) This section applies to an
13 agreement between a pharmacy benefit manager and a health plan
14 regarding prescription drugs that is entered into, renewed, or
15 renegotiated after December 31, 2021. This section does not apply
16 to a health plan, with point of sale rebates, if at least eighty-five
17 percent (85%) of the estimated rebates are deducted from the cost
18 of prescription drugs dispensed at a pharmacy or via mail order
19 before a covered individual's cost sharing requirement is
20 determined.**

21 **(b) As used in this section, "policyholder" means the covered
22 individual in whose name a health plan is held.**

23 **(c) As used in this section, "prescription drug" means a
24 controlled substance or a legend drug (as defined in
25 IC 16-18-2-199).**

26 **(d) An agreement to which this section applies must contain a
27 contractual provision that requires the pharmacy benefit manager
28 to provide on an annual basis, not later than sixty (60) days after
29 the end of each policy year, a notice to a policyholder that states
30 the following:**

31 **(1) An explanation of what a rebate is.**

32 **(2) An explanation of how rebates accrue to a health plan
33 from a manufacturer.**

34 **(3) The aggregate amount of rebates for all prescription drugs
35 dispensed or administered to covered individuals on the
36 policyholder's health plan that accrued to the health plan
37 during the previous policy year. This information may not
38 include any information about an individual prescription
39 drug, including the name, manufacturer, quantity, or dosage
40 of a prescription drug.**

41 **The notice required by this section may be provided by first class
42 mail or electronic mail.**



1 SECTION 16. IC 27-1-31-2 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 2. (a) An insurer may
 3 not cancel a policy of insurance that the insurer has written that has
 4 been in effect more than ninety (90) days unless:

- 5 (1) the insured under the policy has failed to pay the premium;
 6 (2) there is a substantial change in the scale of risk covered by the
 7 policy;
 8 (3) the insured has perpetrated a fraud or material
 9 misrepresentation upon the insurer;
 10 (4) the insured has failed to comply with reasonable safety
 11 recommendations; or
 12 (5) reinsurance of the risk associated with the policy has been
 13 cancelled.

14 (b) An insurer shall ~~provide~~ **mail** a written notice of cancellation to
 15 a person insured under a policy issued by the insurer at least:

- 16 (1) forty-five (45) days before cancelling the policy for any reason
 17 set forth in subsection (a)(2), (a)(4), or (a)(5);
 18 (2) twenty (20) days before cancelling the policy for the reason set
 19 forth in subsection (a)(3); or
 20 (3) ten (10) days before cancelling the policy for the reason set
 21 forth in subsection (a)(1).

22 SECTION 17. IC 27-1-31-2.5 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 2.5. An insurer may
 24 cancel a policy of insurance that the insurer has written that has been
 25 in effect ninety (90) days or less by ~~providing~~ **mailing** a written notice
 26 of cancellation to a person insured under the policy at least:

- 27 (1) ten (10) days before cancelling if an insured has failed to pay
 28 a premium;
 29 (2) twenty (20) days before cancelling if the insured has
 30 perpetrated a fraud or material misrepresentation upon the
 31 insurer; or
 32 (3) thirty (30) days before cancelling for any other reason.

33 SECTION 18. IC 27-1-31-3, AS AMENDED BY P.L.148-2017,
 34 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2021]: Sec. 3. (a) If an insurer refuses to renew a policy of
 36 insurance written by the insurer, the insurer shall ~~provide~~ **mail** written
 37 notice of nonrenewal to the insured:

- 38 (1) at least forty-five (45) days before the expiration date of the
 39 policy, if the coverage provided is for one (1) year, or less; or
 40 (2) at least forty-five (45) days before the anniversary date of the
 41 policy, if the coverage provided is for more than one (1) year.

42 (b) A notice of nonrenewal is not required if:



1 (1) the insured is transferred from an insurer to an affiliate of the
 2 insurer for future coverage; and
 3 (2) the transfer results in the same or broader coverage.
 4 SECTION 19. IC 27-1-43-3, AS ADDED BY P.L.119-2014,
 5 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2021]: Sec. 3. **(a) As used in this section, "online platform"**
 7 **means a web site or other digital application designed to facilitate**
 8 **the purchase of insurance policies by parties from a licensed**
 9 **insurer.**
 10 ~~(a)~~ **(b)** Except as provided in subsection ~~(c)~~; **(d)**, a notice to a party,
 11 or another document, that:
 12 (1) is legally required in an insurance transaction; or
 13 (2) serves as evidence of insurance coverage;
 14 may be electronically delivered, stored, and presented in compliance
 15 with IC 26-2-8.
 16 ~~(b)~~ **(c)** Electronic delivery of a notice or document under this section
 17 is considered to be equivalent to any legally required delivery method,
 18 including delivery by:
 19 (1) first class mail;
 20 (2) first class mail, postage prepaid;
 21 (3) certified mail;
 22 (4) certificate of mail; or
 23 (5) certificate of mailing.
 24 ~~(c)~~ **(d)** Except as provided in subsection **(e)**, electronic delivery of
 25 a notice or document by an insurer to a party is permitted under this
 26 chapter if all the following apply:
 27 (1) The party has affirmatively consented to electronic delivery
 28 and has not withdrawn the consent.
 29 (2) The party, before giving consent, is provided with a clear and
 30 conspicuous statement informing the party of all the following:
 31 (A) Any right or option of the party to have the notice or
 32 document provided or made available in paper or another
 33 nonelectronic form.
 34 (B) The right of the party to withdraw consent to electronic
 35 delivery of a notice or document and any fees, conditions, or
 36 consequences that will be imposed on the party if the party
 37 withdraws consent.
 38 (C) Whether the party's consent applies:
 39 (i) only to the particular transaction as to which the notice or
 40 document must be given; or
 41 (ii) to identified categories of notices or documents subject
 42 to electronic delivery during the course of the party's



- 1 relationship with the insurer.
 2 (D) The:
 3 (i) means, after consent is given, by which the party may
 4 obtain a paper copy of an electronically delivered notice or
 5 document; and
 6 (ii) applicable fee for the paper copy.
 7 (E) The procedure the party must follow to:
 8 (i) withdraw consent to electronic delivery of a notice or
 9 document; and
 10 (ii) update information needed to contact the party
 11 electronically.
 12 (3) The party:
 13 (A) before giving consent, is provided with a statement of the
 14 hardware and software requirements for access to and
 15 retention of an electronically delivered notice or document;
 16 and
 17 (B) electronically:
 18 (i) consents; or
 19 (ii) confirms consent;
 20 in a manner that reasonably demonstrates that the party is able
 21 to access information in the electronic form that will be used
 22 for electronic delivery of notices or documents to which the
 23 party has given consent.
 24 (4) If, after the party has consented to electronic delivery of
 25 notices or documents, a change in the hardware or software
 26 requirements needed for the party to access or retain an
 27 electronically delivered notice or document creates a material risk
 28 that the party will not be able to access or retain a subsequent
 29 notice or document to which the consent applies, the insurer:
 30 (A) provides the party with a statement of the:
 31 (i) revised hardware and software requirements for access to
 32 and retention of an electronically delivered notice or
 33 document; and
 34 (ii) right of the party to withdraw consent without the
 35 imposition of a fee, condition, or consequence that was not
 36 disclosed under subdivision (2)(B); and
 37 (B) complies with subdivision (2).
 38 **(e) Notwithstanding any other provision of this chapter, if a**
 39 **party procures a policy of insurance through an online platform:**
 40 **(1) the party affirmatively consents to have all notices and**
 41 **other documents related to the policy delivered to the party**
 42 **electronically; and**



1 **(2) the conditions set forth in subsection (d)(2) through (d)(4)**
 2 **do not apply to the electronic delivery to the party of notices**
 3 **and other documents related to the policy procured through**
 4 **the online platform.**

5 **However, if a party described in this subsection requests to receive**
 6 **notices and documents in paper format, the insurer shall provide**
 7 **all notices and other documents related to the policy to the party**
 8 **in paper format.**

9 SECTION 20. IC 27-1-43-4, AS ADDED BY P.L.119-2014,
 10 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2021]: Sec. 4. (a) This chapter does not affect any applicable
 12 legal requirement related to content or timing of a notice or document.

13 (b) If another law requiring a notice or document to be provided to
 14 a party expressly requires verification or acknowledgment of receipt of
 15 the notice or document, electronic delivery of the notice or document
 16 is permitted only if the method of electronic delivery provides for
 17 verification or acknowledgment of receipt.

18 (c) The legal effectiveness, validity, or enforceability of a contract
 19 or policy of insurance executed by a party may not be denied solely
 20 because of the failure of the insurer to obtain electronic consent or
 21 confirmation of consent of the party in accordance with section
 22 ~~3(e)(3)(B)~~ **3(d)(3)(B)** of this chapter.

23 SECTION 21. IC 27-1-43-5, AS ADDED BY P.L.119-2014,
 24 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2021]: Sec. 5. (a) A withdrawal of consent by a party does not
 26 affect the legal effectiveness, validity, or enforceability of a notice or
 27 document that is electronically delivered to the party before the
 28 withdrawal of consent is effective.

29 (b) A withdrawal of consent by a party is effective thirty (30) days
 30 after the insurer receives notice of the withdrawal.

31 (c) An insurer's failure to comply with section ~~3(e)(4)~~ **3(d)(4)** of this
 32 chapter is, at the election of the party, considered to be a withdrawal of
 33 the party's consent under this chapter.

34 SECTION 22. IC 27-1-43.2-5, AS ADDED BY P.L.129-2014,
 35 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2021]: Sec. 5. (a) As used in this chapter, "provider" means
 37 a person who is contractually obligated to a holder under a service
 38 contract.

39 **(b) A merchant or other seller of a service contract is not a**
 40 **"provider" for the purposes of this chapter by virtue of acting as**
 41 **the seller of the service contract.**

42 SECTION 23. IC 27-1-47 IS ADDED TO THE INDIANA CODE



1 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2021]:

3 **Chapter 47. Activities Not Prohibited as Rebates**

4 **Sec. 1. (a) The following definitions apply throughout this**
5 **section:**

6 (1) "Drawing" means an activity in which:

7 (A) multiple participating persons could possibly receive a
8 prize; and

9 (B) the person or persons who receive a prize are
10 determined by chance, as by randomly drawing one (1) or
11 more names or numbers from among many names or
12 numbers.

13 (2) "Gift" means the voluntary transfer of anything of value
14 without consideration.

15 (3) "Prize" means something of value received by a person as
16 the result of a drawing.

17 (b) Notwithstanding any other provision of this title, an insurer,
18 an employee of an insurer, or a producer may do the following:

19 (1) Offer and give one (1) or more gifts to a person in
20 connection with marketing for the sale or retention of a
21 contract of insurance if the reasonable value of all gifts given
22 by the insurer, employee, or producer to a person in one (1)
23 year does not exceed two hundred fifty dollars (\$250).

24 (2) Conduct a drawing if:

25 (A) persons participating in the drawing do not pay or
26 incur a cost for their participation; and

27 (B) the value of the prize or prizes received by any single
28 person participating in the drawing does not exceed five
29 hundred dollars (\$500).

30 (c) Neither:

31 (1) a gift given under subsection (b)(1); nor

32 (2) a prize received in a drawing conducted under subsection
33 (b)(2);

34 may be in the form of cash.

35 **Sec. 2. (a) An insurer, by or through its employees, affiliates,**
36 **insurance producers, or third-party representatives, or an**
37 **insurance producer acting on the insurance producer's own behalf,**
38 **may offer or provide, for free or at a discounted price, products or**
39 **services:**

40 (1) that relate to or are provided in conjunction with a policy
41 of insurance; and

42 (2) that:



- 1 (A) are primarily intended to:
- 2 (i) educate about;
- 3 (ii) assess;
- 4 (iii) monitor;
- 5 (iv) control; or
- 6 (v) prevent;
- 7 risk of loss to persons or to persons' lives, health, or
- 8 property; or
- 9 (B) have a nexus to or enhance the value of the insurance
- 10 benefits of the policy.
- 11 (b) Offering or providing products or services under this section
- 12 is not a violation of IC 27-1-20-30, IC 27-1-22-18, or
- 13 IC 27-4-1-4(a)(8).
- 14 Sec. 3. (a) Subject to subsection (b), a person holding a license
- 15 under this title may offer or provide, for free or for less than fair
- 16 market value, services that are at least tangentially related to an
- 17 insurance contract or the administration of an insurance contract
- 18 if the services:
- 19 (1) are not contingent upon the purchase of insurance; and
- 20 (2) are offered on the same terms to all potential insurance
- 21 customers.
- 22 (b) Before:
- 23 (1) the recipient of services described in subsection (a):
- 24 (A) receives a quote of insurance; or
- 25 (B) purchases insurance; or
- 26 (2) an agent of record is assigned to the recipient of the
- 27 services;
- 28 the person offering or providing services under subsection (a) must
- 29 disclose conspicuously in writing to the recipient of the services
- 30 that receiving the services is not contingent on the purchase of
- 31 insurance.
- 32 Sec. 4. The insurance commissioner may adopt rules under
- 33 IC 4-22-2 to administer this chapter.
- 34 SECTION 24. IC 27-4-1-4, AS AMENDED BY HEA 1079-2021,
- 35 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 36 JULY 1, 2021]: Sec. 4. (a) The following are hereby defined as unfair
- 37 methods of competition and unfair and deceptive acts and practices in
- 38 the business of insurance:
- 39 (1) Making, issuing, circulating, or causing to be made, issued, or
- 40 circulated, any estimate, illustration, circular, or statement:
- 41 (A) misrepresenting the terms of any policy issued or to be
- 42 issued or the benefits or advantages promised thereby or the



- 1 dividends or share of the surplus to be received thereon;
2 (B) making any false or misleading statement as to the
3 dividends or share of surplus previously paid on similar
4 policies;
5 (C) making any misleading representation or any
6 misrepresentation as to the financial condition of any insurer,
7 or as to the legal reserve system upon which any life insurer
8 operates;
9 (D) using any name or title of any policy or class of policies
10 misrepresenting the true nature thereof; or
11 (E) making any misrepresentation to any policyholder insured
12 in any company for the purpose of inducing or tending to
13 induce such policyholder to lapse, forfeit, or surrender the
14 policyholder's insurance.
- 15 (2) Making, publishing, disseminating, circulating, or placing
16 before the public, or causing, directly or indirectly, to be made,
17 published, disseminated, circulated, or placed before the public,
18 in a newspaper, magazine, or other publication, or in the form of
19 a notice, circular, pamphlet, letter, or poster, or over any radio or
20 television station, or in any other way, an advertisement,
21 announcement, or statement containing any assertion,
22 representation, or statement with respect to any person in the
23 conduct of the person's insurance business, which is untrue,
24 deceptive, or misleading.
- 25 (3) Making, publishing, disseminating, or circulating, directly or
26 indirectly, or aiding, abetting, or encouraging the making,
27 publishing, disseminating, or circulating of any oral or written
28 statement or any pamphlet, circular, article, or literature which is
29 false, or maliciously critical of or derogatory to the financial
30 condition of an insurer, and which is calculated to injure any
31 person engaged in the business of insurance.
- 32 (4) Entering into any agreement to commit, or individually or by
33 a concerted action committing any act of boycott, coercion, or
34 intimidation resulting or tending to result in unreasonable
35 restraint of, or a monopoly in, the business of insurance.
- 36 (5) Filing with any supervisory or other public official, or making,
37 publishing, disseminating, circulating, or delivering to any person,
38 or placing before the public, or causing directly or indirectly, to
39 be made, published, disseminated, circulated, delivered to any
40 person, or placed before the public, any false statement of
41 financial condition of an insurer with intent to deceive. Making
42 any false entry in any book, report, or statement of any insurer



1 with intent to deceive any agent or examiner lawfully appointed
 2 to examine into its condition or into any of its affairs, or any
 3 public official to which such insurer is required by law to report,
 4 or which has authority by law to examine into its condition or into
 5 any of its affairs, or, with like intent, willfully omitting to make a
 6 true entry of any material fact pertaining to the business of such
 7 insurer in any book, report, or statement of such insurer.

8 (6) Issuing or delivering or permitting agents, officers, or
 9 employees to issue or deliver, agency company stock or other
 10 capital stock, or benefit certificates or shares in any common law
 11 corporation, or securities or any special or advisory board
 12 contracts or other contracts of any kind promising returns and
 13 profits as an inducement to insurance.

14 (7) Making or permitting any of the following:

15 (A) Unfair discrimination between individuals of the same
 16 class and equal expectation of life in the rates or assessments
 17 charged for any contract of life insurance or of life annuity or
 18 in the dividends or other benefits payable thereon, or in any
 19 other of the terms and conditions of such contract. However,
 20 in determining the class, consideration may be given to the
 21 nature of the risk, plan of insurance, the actual or expected
 22 expense of conducting the business, or any other relevant
 23 factor.

24 (B) Unfair discrimination between individuals of the same
 25 class involving essentially the same hazards in the amount of
 26 premium, policy fees, assessments, or rates charged or made
 27 for any policy or contract of accident or health insurance or in
 28 the benefits payable thereunder, or in any of the terms or
 29 conditions of such contract, or in any other manner whatever.
 30 However, in determining the class, consideration may be given
 31 to the nature of the risk, the plan of insurance, the actual or
 32 expected expense of conducting the business, or any other
 33 relevant factor.

34 (C) Excessive or inadequate charges for premiums, policy
 35 fees, assessments, or rates, or making or permitting any unfair
 36 discrimination between persons of the same class involving
 37 essentially the same hazards, in the amount of premiums,
 38 policy fees, assessments, or rates charged or made for:

39 (i) policies or contracts of reinsurance or joint reinsurance,
 40 or abstract and title insurance;

41 (ii) policies or contracts of insurance against loss or damage
 42 to aircraft, or against liability arising out of the ownership,



1 maintenance, or use of any aircraft, or of vessels or craft,
 2 their cargoes, marine builders' risks, marine protection and
 3 indemnity, or other risks commonly insured under marine,
 4 as distinguished from inland marine, insurance; or
 5 (iii) policies or contracts of any other kind or kinds of
 6 insurance whatsoever.

7 However, nothing contained in clause (C) shall be construed to
 8 apply to any of the kinds of insurance referred to in clauses (A)
 9 and (B) nor to reinsurance in relation to such kinds of insurance.
 10 Nothing in clause (A), (B), or (C) shall be construed as making or
 11 permitting any excessive, inadequate, or unfairly discriminatory
 12 charge or rate or any charge or rate determined by the department
 13 or commissioner to meet the requirements of any other insurance
 14 rate regulatory law of this state.

15 (8) Except as otherwise expressly provided by **IC 27-1-47 or**
 16 **another** law, knowingly permitting or offering to make or making
 17 any contract or policy of insurance of any kind or kinds
 18 whatsoever, including but not in limitation, life annuities, or
 19 agreement as to such contract or policy other than as plainly
 20 expressed in such contract or policy issued thereon, or paying or
 21 allowing, or giving or offering to pay, allow, or give, directly or
 22 indirectly, as inducement to such insurance, or annuity, any rebate
 23 of premiums payable on the contract, or any special favor or
 24 advantage in the dividends, savings, or other benefits thereon, or
 25 any valuable consideration or inducement whatever not specified
 26 in the contract or policy; or giving, or selling, or purchasing or
 27 offering to give, sell, or purchase as inducement to such insurance
 28 or annuity or in connection therewith, any stocks, bonds, or other
 29 securities of any insurance company or other corporation,
 30 association, limited liability company, or partnership, or any
 31 dividends, savings, or profits accrued thereon, or anything of
 32 value whatsoever not specified in the contract. Nothing in this
 33 subdivision and subdivision (7) shall be construed as including
 34 within the definition of discrimination or rebates any of the
 35 following practices:

36 (A) Paying bonuses to policyholders or otherwise abating their
 37 premiums in whole or in part out of surplus accumulated from
 38 nonparticipating insurance, so long as any such bonuses or
 39 abatement of premiums are fair and equitable to policyholders
 40 and for the best interests of the company and its policyholders.

41 (B) In the case of life insurance policies issued on the
 42 industrial debit plan, making allowance to policyholders who



- 1 have continuously for a specified period made premium
 2 payments directly to an office of the insurer in an amount
 3 which fairly represents the saving in collection expense.
- 4 (C) Readjustment of the rate of premium for a group insurance
 5 policy based on the loss or expense experience thereunder, at
 6 the end of the first year or of any subsequent year of insurance
 7 thereunder, which may be made retroactive only for such
 8 policy year.
- 9 (D) Paying by an insurer or insurance producer thereof duly
 10 licensed as such under the laws of this state of money,
 11 commission, or brokerage, or giving or allowing by an insurer
 12 or such licensed insurance producer thereof anything of value,
 13 for or on account of the solicitation or negotiation of policies
 14 or other contracts of any kind or kinds, to a broker, an
 15 insurance producer, or a solicitor duly licensed under the laws
 16 of this state, but such broker, insurance producer, or solicitor
 17 receiving such consideration shall not pay, give, or allow
 18 credit for such consideration as received in whole or in part,
 19 directly or indirectly, to the insured by way of rebate.
- 20 (9) Requiring, as a condition precedent to loaning money upon the
 21 security of a mortgage upon real property, that the owner of the
 22 property to whom the money is to be loaned negotiate any policy
 23 of insurance covering such real property through a particular
 24 insurance producer or broker or brokers. However, this
 25 subdivision shall not prevent the exercise by any lender of the
 26 lender's right to approve or disapprove of the insurance company
 27 selected by the borrower to underwrite the insurance.
- 28 (10) Entering into any contract, combination in the form of a trust
 29 or otherwise, or conspiracy in restraint of commerce in the
 30 business of insurance.
- 31 (11) Monopolizing or attempting to monopolize or combining or
 32 conspiring with any other person or persons to monopolize any
 33 part of commerce in the business of insurance. However,
 34 participation as a member, director, or officer in the activities of
 35 any nonprofit organization of insurance producers or other
 36 workers in the insurance business shall not be interpreted, in
 37 itself, to constitute a combination in restraint of trade or as
 38 combining to create a monopoly as provided in this subdivision
 39 and subdivision (10). The enumeration in this chapter of specific
 40 unfair methods of competition and unfair or deceptive acts and
 41 practices in the business of insurance is not exclusive or
 42 restrictive or intended to limit the powers of the commissioner or



- 1 department or of any court of review under section 8 of this
 2 chapter.
- 3 (12) Requiring as a condition precedent to the sale of real or
 4 personal property under any contract of sale, conditional sales
 5 contract, or other similar instrument or upon the security of a
 6 chattel mortgage, that the buyer of such property negotiate any
 7 policy of insurance covering such property through a particular
 8 insurance company, insurance producer, or broker or brokers.
 9 However, this subdivision shall not prevent the exercise by any
 10 seller of such property or the one making a loan thereon of the
 11 right to approve or disapprove of the insurance company selected
 12 by the buyer to underwrite the insurance.
- 13 (13) Issuing, offering, or participating in a plan to issue or offer,
 14 any policy or certificate of insurance of any kind or character as
 15 an inducement to the purchase of any property, real, personal, or
 16 mixed, or services of any kind, where a charge to the insured is
 17 not made for and on account of such policy or certificate of
 18 insurance. However, this subdivision shall not apply to any of the
 19 following:
- 20 (A) Insurance issued to credit unions or members of credit
 21 unions in connection with the purchase of shares in such credit
 22 unions.
- 23 (B) Insurance employed as a means of guaranteeing the
 24 performance of goods and designed to benefit the purchasers
 25 or users of such goods.
- 26 (C) Title insurance.
- 27 (D) Insurance written in connection with an indebtedness and
 28 intended as a means of repaying such indebtedness in the
 29 event of the death or disability of the insured.
- 30 (E) Insurance provided by or through motorists service clubs
 31 or associations.
- 32 (F) Insurance that is provided to the purchaser or holder of an
 33 air transportation ticket and that:
- 34 (i) insures against death or nonfatal injury that occurs during
 35 the flight to which the ticket relates;
- 36 (ii) insures against personal injury or property damage that
 37 occurs during travel to or from the airport in a common
 38 carrier immediately before or after the flight;
- 39 (iii) insures against baggage loss during the flight to which
 40 the ticket relates; or
- 41 (iv) insures against a flight cancellation to which the ticket
 42 relates.



- 1 (14) Refusing, because of the for-profit status of a hospital or
2 medical facility, to make payments otherwise required to be made
3 under a contract or policy of insurance for charges incurred by an
4 insured in such a for-profit hospital or other for-profit medical
5 facility licensed by the state department of health.
- 6 (15) Refusing to insure an individual, refusing to continue to issue
7 insurance to an individual, limiting the amount, extent, or kind of
8 coverage available to an individual, or charging an individual a
9 different rate for the same coverage, solely because of that
10 individual's blindness or partial blindness, except where the
11 refusal, limitation, or rate differential is based on sound actuarial
12 principles or is related to actual or reasonably anticipated
13 experience.
- 14 (16) Committing or performing, with such frequency as to
15 indicate a general practice, unfair claim settlement practices (as
16 defined in section 4.5 of this chapter).
- 17 (17) Between policy renewal dates, unilaterally canceling an
18 individual's coverage under an individual or group health
19 insurance policy solely because of the individual's medical or
20 physical condition.
- 21 (18) Using a policy form or rider that would permit a cancellation
22 of coverage as described in subdivision (17).
- 23 (19) Violating IC 27-1-22-25, IC 27-1-22-26, or IC 27-1-22-26.1
24 concerning motor vehicle insurance rates.
- 25 (20) Violating IC 27-8-21-2 concerning advertisements referring
26 to interest rate guarantees.
- 27 (21) Violating IC 27-8-24.3 concerning insurance and health plan
28 coverage for victims of abuse.
- 29 (22) Violating IC 27-8-26 concerning genetic screening or testing.
- 30 (23) Violating IC 27-1-15.6-3(b) concerning licensure of
31 insurance producers.
- 32 (24) Violating IC 27-1-38 concerning depository institutions.
- 33 (25) Violating IC 27-8-28-17(c) or IC 27-13-10-8(c) concerning
34 the resolution of an appealed grievance decision.
- 35 (26) Violating IC 27-8-5-2.5(e) through IC 27-8-5-2.5(j) (expired
36 July 1, 2007, and removed) or IC 27-8-5-19.2 (expired July 1,
37 2007, and repealed).
- 38 (27) Violating IC 27-2-21 concerning use of credit information.
- 39 (28) Violating IC 27-4-9-3 concerning recommendations to
40 consumers.
- 41 (29) Engaging in dishonest or predatory insurance practices in
42 marketing or sales of insurance to members of the United States



- 1 Armed Forces as:
- 2 (A) described in the federal Military Personnel Financial
- 3 Services Protection Act, P.L.109-290; or
- 4 (B) defined in rules adopted under subsection (b).
- 5 (30) Violating IC 27-8-19.8-20.1 concerning stranger originated
- 6 life insurance.
- 7 (31) Violating IC 27-2-22 concerning retained asset accounts.
- 8 (32) Violating IC 27-8-5-29 concerning health plans offered
- 9 through a health benefit exchange (as defined in IC 27-19-2-8).
- 10 (33) Violating a requirement of the federal Patient Protection and
- 11 Affordable Care Act (P.L. 111-148), as amended by the federal
- 12 Health Care and Education Reconciliation Act of 2010 (P.L.
- 13 111-152), that is enforceable by the state.
- 14 (34) After June 30, 2015, violating IC 27-2-23 concerning
- 15 unclaimed life insurance, annuity, or retained asset account
- 16 benefits.
- 17 (35) Willfully violating IC 27-1-12-46 concerning a life insurance
- 18 policy or certificate described in IC 27-1-12-46(a).
- 19 (36) Violating IC 27-1-37-7 concerning prohibiting the disclosure
- 20 of health care service claims data.
- 21 (37) Violating IC 27-4-10-10 concerning virtual claim payments.
- 22 (b) Except with respect to federal insurance programs under
- 23 Subchapter III of Chapter 19 of Title 38 of the United States Code, the
- 24 commissioner may, consistent with the federal Military Personnel
- 25 Financial Services Protection Act (10 U.S.C. 992 note), adopt rules
- 26 under IC 4-22-2 to:
- 27 (1) define; and
- 28 (2) while the members are on a United States military installation
- 29 or elsewhere in Indiana, protect members of the United States
- 30 Armed Forces from;
- 31 dishonest or predatory insurance practices.
- 32 SECTION 25. IC 27-7-6-5 IS AMENDED TO READ AS
- 33 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 5. **(a) No A** notice of
- 34 cancellation of a policy to which section 4 of this chapter applies ~~shall~~
- 35 **be is not** effective:
- 36 **(1) unless it is mailed or delivered** by the insurer to the named
- 37 insured at least twenty (20) days prior to the effective date of
- 38 cancellation; ~~provided; however; that where or~~
- 39 **(2) if the** cancellation is for nonpayment of premium, **unless it is:**
- 40 **(A) mailed by the insurer to the named insured** at least ten
- 41 (10) days ~~notice before the effective date~~ of cancellation; **and**
- 42 **(B) accompanied by the a written statement of the reason**



therefor shall be given: for the cancellation.

(b) ~~In the event such~~ If a policy was procured by an independent insurance producer duly licensed by the state of Indiana, notice of intent to cancel the policy shall be mailed ~~or delivered~~ to the independent insurance producer at least ten (10) days prior to ~~such the mailing or delivery of the notice of cancellation~~ to the named insured under subsection (a), unless such notice of intent to cancel is or has been waived in writing by the independent insurance producer.

(c) Unless a written statement of the reason for the cancellation accompanies or is included in the notice of cancellation, the notice of cancellation of a policy that is mailed under subsection (a) shall state or be accompanied by a statement that, upon the written request of the named insured that is mailed ~~or delivered~~ to the insurer not less than fifteen (15) days prior to the effective date of cancellation, the insurer will specify the reason for such cancellation.

(d) This section ~~shall~~ does not apply to nonrenewal.

SECTION 26. IC 27-7-6-6, AS AMENDED BY P.L.148-2017, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 6. (a) ~~No~~ An insurer shall not fail to renew a policy unless it ~~shall mail or deliver mails~~ to the named insured, at the address shown in the policy, at least twenty (20) days advance notice of its intention not to renew the policy.

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

~~(b)~~ (c) This section ~~shall~~ does not apply:

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

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

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

- (1) the 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)~~ (e) Renewal of a policy shall not constitute a waiver or estoppel



1 with respect to grounds for cancellation which existed before the
2 effective date of such renewal.

3 SECTION 27. IC 27-7-12-3, AS AMENDED BY P.L.116-2011,
4 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2021]: Sec. 3. (a) Notice of cancellation of property insurance
6 coverage by an insurer must:

7 (1) be in writing;

8 (2) be ~~delivered or~~ mailed to the named insured at the last known
9 address of the named insured;

10 (3) state the effective date of the cancellation; and

11 (4) upon request of the named insured, be accompanied by a
12 written explanation of the specific reasons for the cancellation.

13 (b) An insurer shall **provide mail** written notice of cancellation to
14 the named insured at least:

15 (1) ten (10) days before canceling a policy, if the cancellation is
16 for nonpayment of a premium;

17 (2) twenty (20) days before canceling a policy, if:

18 (A) the cancellation occurs more than sixty (60) days after the
19 date of issuance of the policy; or

20 (B) the insurer has received a copy of a complaint under
21 IC 32-30-10.5-8(d)(2) concerning the property; and

22 (3) ten (10) days before canceling a policy, if the cancellation
23 occurs not more than sixty (60) days after the date of issuance of
24 the policy.

25 (c) If the policy was procured by an independent insurance producer
26 licensed in Indiana, the insurer shall ~~deliver or~~ mail notice of
27 cancellation to the insurance producer not less than ten (10) days
28 before the insurer ~~delivers or~~ mails the notice to the named insured,
29 unless the obligation to notify the insurance producer is waived in
30 writing by the insurance producer.

31 SECTION 28. IC 27-7-12-4, AS AMENDED BY P.L.148-2017,
32 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JULY 1, 2021]: Sec. 4. (a) Notice of nonrenewal by an insurer must:

34 (1) be in writing;

35 (2) be ~~delivered or~~ mailed to the named insured at the last known
36 address of the named insured;

37 (3) state the insurer's intention not to renew the policy upon
38 expiration of the current policy period;

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

42 (5) be **provided mailed** to the named insured at least twenty (20)



- 1 days before the expiration of the current policy period.
- 2 (b) If the policy was procured by an independent insurance producer
- 3 licensed in Indiana, the insurer shall ~~deliver~~ ~~or~~ mail notice of
- 4 nonrenewal to the insurance producer not less than ten (10) days before
- 5 the insurer ~~delivers~~ ~~or~~ mails the notice to the named insured **under**
- 6 **subsection (a)**, unless the obligation to notify the insurance producer
- 7 is waived in writing by the insurance producer.
- 8 (c) Notice of nonrenewal under this section is not required if:
- 9 (1) the named insured is transferred from an insurer to an affiliate
- 10 of the insurer for future coverage; and
- 11 (2) the transfer results in the same or broader coverage.
- 12 (d) If an insurer mails ~~or delivers~~ to an insured a renewal notice,
- 13 bill, certificate, or policy indicating the insurer's willingness to renew
- 14 a policy and the insured does not respond, the insurer is not required to
- 15 **provide mail** to the insured notice of intention not to renew.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions and Insurance, to which was referred House Bill 1405, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 13, delete "(a) This chapter applies to".

Page 1, delete lines 14 through 15.

Page 1, line 16, delete "(b)".

Page 1, run in lines 13 through 16.

Page 2, between lines 1 and 2, begin a new paragraph and insert:

"SECTION 3. IC 12-15-39.6-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 7. (a) The department of insurance or the agency with which the department of insurance has contracted under section 6(b) of this chapter shall make available to any individual interested in participating in ~~the Indiana~~ a long term care program information concerning the following:

(1) The Indiana long term care program **established under this chapter.**

(2) **The Indiana long term care insurance partnership program established under IC 12-15-39.8.**

~~(3)~~ (3) Long term care insurance policies, **including:**

(A) **qualified long term care policies that meet the definition set forth in section 5 of this chapter; and**

(B) **qualified long term care insurance policies that meet the definition set forth in IC 12-15-39.8-3.**

~~(4)~~ (4) Medicare supplement insurance policies.

~~(5)~~ (5) Parts A and B of the Medicare program (42 U.S.C. 1395 et seq.).

~~(6)~~ (6) Health maintenance organizations under IC 27-13 that are contracted with the Medicare program.

~~(7)~~ (7) The Medicaid program.

(b) If an individual elects to pursue any of the options under subsection (a), the department of insurance shall assist the individual in doing so.

SECTION 4. IC 12-15-39.6-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 7.5. An individual interested in participating in a long term care program after June 30, 2022, may participate in:**

(1) **the Indiana long term care program established under this chapter; or**



(2) the Indiana long term care insurance partnership program established under IC 12-15-39.8."

Page 8, after line 41, begin a new paragraph and insert:

"SECTION 9. IC 27-1-20-30 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 30. **(a) This section does not prohibit activities allowed under IC 27-1-47.**

~~(a)~~ **(b)** No company acting through its officers or members, attorney-in-fact, or by any other party, no officer of a company acting on the officer's own behalf and no insurance producer, broker, or solicitor, personally or by any other party, shall offer, promise, allow, give, set off or pay, directly or indirectly, any rebate of or part of the premium payable on a policy, or any insurance producer's commission thereon, or earnings, profits, dividends or other benefits founded, arising, accruing, or to accrue thereon or therefrom, or any special advantage in date of policy or age of issue, or any paid employment or contract for services of any kind, or any other valuable consideration or inducement, to or for insurance on any risk in this state, now or hereafter to be written, or for or upon any renewal of any such insurance, which is not specified in the policy contract of insurance, or offer, promise, give, option, sell or purchase any stocks, bonds, securities, or property, or any dividends or profits accruing or to accrue thereon, or other thing of value whatsoever as inducement to insurance or in connection therewith, or any renewal thereof, which is not specified in the policy. Nothing in this section shall prevent a company which transacts industrial life insurance on a weekly payment plan from returning to policyholders who have made a premium payment for a period of at least one (1) year directly to the company at its home or district office a percentage of premium which the company would otherwise have paid for the weekly collection of such premium, nor shall this section be construed to prevent the taking of a bona fide obligation, with legal interest, in payment of any premium.

~~(b)~~ **(c)** No insured person or party or applicant for insurance shall directly or indirectly, receive or accept, or agree to receive or accept, any rebate of premium or of any part thereof, or all or any part of any insurance producer's or broker's commission thereon, or any favor or advantage, or share in any benefit to accrue under any policy of insurance, or any valuable consideration or inducement, other than such as are specified in the policy.

SECTION 10. IC 27-1-22-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 18. **(a) This section does not prohibit activities allowed under IC 27-1-47.**

(b) No insurer, broker, or insurance producer shall knowingly



charge, demand, or receive a premium for any policy of insurance except in accordance with the provisions of this chapter. No insurer or employee thereof, and no broker or insurance producer shall pay, allow, or give, directly or indirectly, as an inducement to insurance, or after insurance has been effected, any rebate, discount, abatement, credit, or reduction of the premium named in a policy of insurance, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever, not specified in the policy of insurance, except to the extent provided for in applicable filings. No insured named in any policy of insurance shall knowingly receive or accept, directly or indirectly, any such rebate, discount, abatement, credit or reduction of premium, or any such special favor or advantage or valuable consideration or inducement. Nothing in this section shall be construed as prohibiting the payment of, nor permitting the regulation of the payment of, commissions or other compensation to duly licensed insurance producers and brokers, nor as prohibiting, or permitting the regulation of, any insurer from allowing or returning to its participating policyholders or members, dividends or savings.

SECTION 11. IC 27-1-31-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 2. (a) An insurer may not cancel a policy of insurance that the insurer has written that has been in effect more than ninety (90) days unless:

- (1) the insured under the policy has failed to pay the premium;
- (2) there is a substantial change in the scale of risk covered by the policy;
- (3) the insured has perpetrated a fraud or material misrepresentation upon the insurer;
- (4) the insured has failed to comply with reasonable safety recommendations; or
- (5) reinsurance of the risk associated with the policy has been cancelled.

(b) An insurer shall ~~provide~~ **mail** a written notice of cancellation to a person insured under a policy issued by the insurer at least:

- (1) forty-five (45) days before cancelling the policy for any reason set forth in subsection (a)(2), (a)(4), or (a)(5);
- (2) twenty (20) days before cancelling the policy for the reason set forth in subsection (a)(3); or
- (3) ten (10) days before cancelling the policy for the reason set forth in subsection (a)(1).

SECTION 12. IC 27-1-31-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 2.5. An insurer may



cancel a policy of insurance that the insurer has written that has been in effect ninety (90) days or less by ~~providing~~ **mailing** a written notice of cancellation to a person insured under the policy at least:

- (1) ten (10) days before cancelling if an insured has failed to pay a premium;
- (2) twenty (20) days before cancelling if the insured has perpetrated a fraud or material misrepresentation upon the insurer; or
- (3) thirty (30) days before cancelling for any other reason.

SECTION 13. IC 27-1-31-3, AS AMENDED BY P.L.148-2017, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 3. (a) If an insurer refuses to renew a policy of insurance written by the insurer, the insurer shall **provide mail** written notice of nonrenewal to the insured:

- (1) at least forty-five (45) days before the expiration date of the policy, if the coverage provided is for one (1) year, or less; or
 - (2) at least forty-five (45) days before the anniversary date of the policy, if the coverage provided is for more than one (1) year.
- (b) A notice of nonrenewal is not required if:
- (1) the 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.

SECTION 14. IC 27-1-43-3, AS ADDED BY P.L.119-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 3. **(a) As used in this section, "online platform" means a web site or other digital application designed to facilitate the purchase of insurance policies by parties from a licensed insurer.**

~~(a)~~ **(b)** Except as provided in subsection ~~(c)~~; **(d)**, a notice to a party, or another document, that:

- (1) is legally required in an insurance transaction; or
- (2) serves as evidence of insurance coverage;

may be electronically delivered, stored, and presented in compliance with IC 26-2-8.

~~(b)~~ **(c)** Electronic delivery of a notice or document under this section is considered to be equivalent to any legally required delivery method, including delivery by:

- (1) first class mail;
- (2) first class mail, postage prepaid;
- (3) certified mail;
- (4) certificate of mail; or
- (5) certificate of mailing.



(e) (d) **Except as provided in subsection (e)**, electronic delivery of a notice or document by an insurer to a party is permitted under this chapter if all the following apply:

- (1) The party has affirmatively consented to electronic delivery and has not withdrawn the consent.
- (2) The party, before giving consent, is provided with a clear and conspicuous statement informing the party of all the following:
 - (A) Any right or option of the party to have the notice or document provided or made available in paper or another nonelectronic form.
 - (B) The right of the party to withdraw consent to electronic delivery of a notice or document and any fees, conditions, or consequences that will be imposed on the party if the party withdraws consent.
 - (C) Whether the party's consent applies:
 - (i) only to the particular transaction as to which the notice or document must be given; or
 - (ii) to identified categories of notices or documents subject to electronic delivery during the course of the party's relationship with the insurer.
 - (D) The:
 - (i) means, after consent is given, by which the party may obtain a paper copy of an electronically delivered notice or document; and
 - (ii) applicable fee for the paper copy.
 - (E) The procedure the party must follow to:
 - (i) withdraw consent to electronic delivery of a notice or document; and
 - (ii) update information needed to contact the party electronically.
- (3) The party:
 - (A) before giving consent, is provided with a statement of the hardware and software requirements for access to and retention of an electronically delivered notice or document; and
 - (B) electronically:
 - (i) consents; or
 - (ii) confirms consent;
 in a manner that reasonably demonstrates that the party is able to access information in the electronic form that will be used for electronic delivery of notices or documents to which the party has given consent.



(4) If, after the party has consented to electronic delivery of notices or documents, a change in the hardware or software requirements needed for the party to access or retain an electronically delivered notice or document creates a material risk that the party will not be able to access or retain a subsequent notice or document to which the consent applies, the insurer:

(A) provides the party with a statement of the:

(i) revised hardware and software requirements for access to and retention of an electronically delivered notice or document; and

(ii) right of the party to withdraw consent without the imposition of a fee, condition, or consequence that was not disclosed under subdivision (2)(B); and

(B) complies with subdivision (2).

(e) Notwithstanding any other provision of this chapter, if a party procures a policy of insurance through an online platform:

(1) the party affirmatively consents to have all notices and other documents related to the policy delivered to the party electronically; and

(2) the conditions set forth in subsection (d)(2) through (d)(4) do not apply to the electronic delivery to the party of notices and other documents related to the policy procured through the online platform.

However, if a party described in this subsection requests to receive notices and documents in paper format, the insurer shall provide all notices and other documents related to the policy to the party in paper format.

SECTION 15. IC 27-1-43-4, AS ADDED BY P.L.119-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 4. (a) This chapter does not affect any applicable legal requirement related to content or timing of a notice or document.

(b) If another law requiring a notice or document to be provided to a party expressly requires verification or acknowledgment of receipt of the notice or document, electronic delivery of the notice or document is permitted only if the method of electronic delivery provides for verification or acknowledgment of receipt.

(c) The legal effectiveness, validity, or enforceability of a contract or policy of insurance executed by a party may not be denied solely because of the failure of the insurer to obtain electronic consent or confirmation of consent of the party in accordance with section ~~3(e)(3)(B)~~ **3(d)(3)(B)** of this chapter.

SECTION 16. IC 27-1-43-5, AS ADDED BY P.L.119-2014,



SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 5. (a) A withdrawal of consent by a party does not affect the legal effectiveness, validity, or enforceability of a notice or document that is electronically delivered to the party before the withdrawal of consent is effective.

(b) A withdrawal of consent by a party is effective thirty (30) days after the insurer receives notice of the withdrawal.

(c) An insurer's failure to comply with section ~~3(e)(4)~~ **3(d)(4)** of this chapter is, at the election of the party, considered to be a withdrawal of the party's consent under this chapter.

SECTION 17. IC 27-1-43.2-5, AS ADDED BY P.L.129-2014, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 5. (a) As used in this chapter, "provider" means a person who is contractually obligated to a holder under a service contract.

(b) A merchant or other seller of a service contract is not a "provider" for the purposes of this chapter by virtue of acting as the seller of the service contract.

SECTION 18. IC 27-1-47 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]:

Chapter 47. Activities Not Prohibited as Rebates

Sec. 1. (a) The following definitions apply throughout this section:

- (1) "Drawing" means an activity in which:
 - (A) multiple participating persons could possibly receive a prize; and
 - (B) the person or persons who receive a prize are determined by chance, as by randomly drawing one (1) or more names or numbers from among many names or numbers.
- (2) "Gift" means the voluntary transfer of anything of value without consideration.
- (3) "Prize" means something of value received by a person as the result of a drawing.

(b) Notwithstanding any other provision of this title, an insurer, an employee of an insurer, or a producer may do the following:

- (1) Offer and give one (1) or more gifts to a person in connection with marketing for the sale or retention of a contract of insurance if the reasonable value of all gifts given by the insurer, employee, or producer to a person in one (1) year does not exceed two hundred fifty dollars (\$250).



(2) Conduct a drawing if:

- (A) persons participating in the drawing do not pay or incur a cost for their participation; and**
- (B) the value of the prize or prizes received by any single person participating in the drawing does not exceed five hundred dollars (\$500).**

(c) Neither:

- (1) a gift given under subsection (b)(1); nor**
- (2) a prize received in a drawing conducted under subsection (b)(2);**

may be in the form of cash.

Sec. 2. (a) An insurer, by or through its employees, affiliates, insurance producers, or third-party representatives, may offer or provide, for free or at a discounted price, products or services that:

- (1) relate to or are provided in conjunction with a policy of insurance; and**
- (2) are exclusively intended to:**
 - (A) educate about;**
 - (B) assess;**
 - (C) monitor;**
 - (D) control; or**
 - (E) prevent;**

risk of loss to persons or to persons' lives, health, or property.

(b) Offering or providing products or services under this section is not a violation of IC 27-1-20-30, IC 27-1-22-18, or IC 27-4-1-4(a)(8).

Sec. 3. (a) Subject to subsection (b), a person holding a license under this title may offer or provide, for free or for less than fair market value, services that are at least tangentially related to an insurance contract or the administration of an insurance contract if the services:

- (1) are not contingent upon the purchase of insurance; and**
- (2) are offered on the same terms to all potential insurance customers.**

(b) Before:

- (1) the recipient of services described in subsection (a):**
 - (A) receives a quote of insurance; or**
 - (B) purchases insurance; or**
- (2) an agent of record is assigned to the recipient of the services;**

the person offering or providing services under subsection (a) must disclose conspicuously in writing to the recipient of the services



that receiving the services is not contingent on the purchase of insurance.

Sec. 4. The insurance commissioner may adopt rules under IC 4-22-2 to administer this chapter.

SECTION 19. IC 27-4-1-4, AS AMENDED BY P.L.50-2020, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 4. (a) The following are hereby defined as unfair methods of competition and unfair and deceptive acts and practices in the business of insurance:

(1) Making, issuing, circulating, or causing to be made, issued, or circulated, any estimate, illustration, circular, or statement:

(A) misrepresenting the terms of any policy issued or to be issued or the benefits or advantages promised thereby or the dividends or share of the surplus to be received thereon;

(B) making any false or misleading statement as to the dividends or share of surplus previously paid on similar policies;

(C) making any misleading representation or any misrepresentation as to the financial condition of any insurer, or as to the legal reserve system upon which any life insurer operates;

(D) using any name or title of any policy or class of policies misrepresenting the true nature thereof; or

(E) making any misrepresentation to any policyholder insured in any company for the purpose of inducing or tending to induce such policyholder to lapse, forfeit, or surrender the policyholder's insurance.

(2) Making, publishing, disseminating, circulating, or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio or television station, or in any other way, an advertisement, announcement, or statement containing any assertion, representation, or statement with respect to any person in the conduct of the person's insurance business, which is untrue, deceptive, or misleading.

(3) Making, publishing, disseminating, or circulating, directly or indirectly, or aiding, abetting, or encouraging the making, publishing, disseminating, or circulating of any oral or written statement or any pamphlet, circular, article, or literature which is false, or maliciously critical of or derogatory to the financial



condition of an insurer, and which is calculated to injure any person engaged in the business of insurance.

(4) Entering into any agreement to commit, or individually or by a concerted action committing any act of boycott, coercion, or intimidation resulting or tending to result in unreasonable restraint of, or a monopoly in, the business of insurance.

(5) Filing with any supervisory or other public official, or making, publishing, disseminating, circulating, or delivering to any person, or placing before the public, or causing directly or indirectly, to be made, published, disseminated, circulated, delivered to any person, or placed before the public, any false statement of financial condition of an insurer with intent to deceive. Making any false entry in any book, report, or statement of any insurer with intent to deceive any agent or examiner lawfully appointed to examine into its condition or into any of its affairs, or any public official to which such insurer is required by law to report, or which has authority by law to examine into its condition or into any of its affairs, or, with like intent, willfully omitting to make a true entry of any material fact pertaining to the business of such insurer in any book, report, or statement of such insurer.

(6) Issuing or delivering or permitting agents, officers, or employees to issue or deliver, agency company stock or other capital stock, or benefit certificates or shares in any common law corporation, or securities or any special or advisory board contracts or other contracts of any kind promising returns and profits as an inducement to insurance.

(7) Making or permitting any of the following:

(A) Unfair discrimination between individuals of the same class and equal expectation of life in the rates or assessments charged for any contract of life insurance or of life annuity or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of such contract. However, in determining the class, consideration may be given to the nature of the risk, plan of insurance, the actual or expected expense of conducting the business, or any other relevant factor.

(B) Unfair discrimination between individuals of the same class involving essentially the same hazards in the amount of premium, policy fees, assessments, or rates charged or made for any policy or contract of accident or health insurance or in the benefits payable thereunder, or in any of the terms or conditions of such contract, or in any other manner whatever.



However, in determining the class, consideration may be given to the nature of the risk, the plan of insurance, the actual or expected expense of conducting the business, or any other relevant factor.

(C) Excessive or inadequate charges for premiums, policy fees, assessments, or rates, or making or permitting any unfair discrimination between persons of the same class involving essentially the same hazards, in the amount of premiums, policy fees, assessments, or rates charged or made for:

- (i) policies or contracts of reinsurance or joint reinsurance, or abstract and title insurance;
- (ii) policies or contracts of insurance against loss or damage to aircraft, or against liability arising out of the ownership, maintenance, or use of any aircraft, or of vessels or craft, their cargoes, marine builders' risks, marine protection and indemnity, or other risks commonly insured under marine, as distinguished from inland marine, insurance; or
- (iii) policies or contracts of any other kind or kinds of insurance whatsoever.

However, nothing contained in clause (C) shall be construed to apply to any of the kinds of insurance referred to in clauses (A) and (B) nor to reinsurance in relation to such kinds of insurance. Nothing in clause (A), (B), or (C) shall be construed as making or permitting any excessive, inadequate, or unfairly discriminatory charge or rate or any charge or rate determined by the department or commissioner to meet the requirements of any other insurance rate regulatory law of this state.

(8) Except as otherwise expressly provided by **IC 27-1-47** or **another** law, knowingly permitting or offering to make or making any contract or policy of insurance of any kind or kinds whatsoever, including but not in limitation, life annuities, or agreement as to such contract or policy other than as plainly expressed in such contract or policy issued thereon, or paying or allowing, or giving or offering to pay, allow, or give, directly or indirectly, as inducement to such insurance, or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends, savings, or other benefits thereon, or any valuable consideration or inducement whatever not specified in the contract or policy; or giving, or selling, or purchasing or offering to give, sell, or purchase as inducement to such insurance or annuity or in connection therewith, any stocks, bonds, or other securities of any insurance company or other corporation,



association, limited liability company, or partnership, or any dividends, savings, or profits accrued thereon, or anything of value whatsoever not specified in the contract. Nothing in this subdivision and subdivision (7) shall be construed as including within the definition of discrimination or rebates any of the following practices:

- (A) Paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from nonparticipating insurance, so long as any such bonuses or abatement of premiums are fair and equitable to policyholders and for the best interests of the company and its policyholders.
 - (B) In the case of life insurance policies issued on the industrial debit plan, making allowance to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer in an amount which fairly represents the saving in collection expense.
 - (C) Readjustment of the rate of premium for a group insurance policy based on the loss or expense experience thereunder, at the end of the first year or of any subsequent year of insurance thereunder, which may be made retroactive only for such policy year.
 - (D) Paying by an insurer or insurance producer thereof duly licensed as such under the laws of this state of money, commission, or brokerage, or giving or allowing by an insurer or such licensed insurance producer thereof anything of value, for or on account of the solicitation or negotiation of policies or other contracts of any kind or kinds, to a broker, an insurance producer, or a solicitor duly licensed under the laws of this state, but such broker, insurance producer, or solicitor receiving such consideration shall not pay, give, or allow credit for such consideration as received in whole or in part, directly or indirectly, to the insured by way of rebate.
- (9) Requiring, as a condition precedent to loaning money upon the security of a mortgage upon real property, that the owner of the property to whom the money is to be loaned negotiate any policy of insurance covering such real property through a particular insurance producer or broker or brokers. However, this subdivision shall not prevent the exercise by any lender of the lender's right to approve or disapprove of the insurance company selected by the borrower to underwrite the insurance.
- (10) Entering into any contract, combination in the form of a trust or otherwise, or conspiracy in restraint of commerce in the



business of insurance.

(11) Monopolizing or attempting to monopolize or combining or conspiring with any other person or persons to monopolize any part of commerce in the business of insurance. However, participation as a member, director, or officer in the activities of any nonprofit organization of insurance producers or other workers in the insurance business shall not be interpreted, in itself, to constitute a combination in restraint of trade or as combining to create a monopoly as provided in this subdivision and subdivision (10). The enumeration in this chapter of specific unfair methods of competition and unfair or deceptive acts and practices in the business of insurance is not exclusive or restrictive or intended to limit the powers of the commissioner or department or of any court of review under section 8 of this chapter.

(12) Requiring as a condition precedent to the sale of real or personal property under any contract of sale, conditional sales contract, or other similar instrument or upon the security of a chattel mortgage, that the buyer of such property negotiate any policy of insurance covering such property through a particular insurance company, insurance producer, or broker or brokers. However, this subdivision shall not prevent the exercise by any seller of such property or the one making a loan thereon of the right to approve or disapprove of the insurance company selected by the buyer to underwrite the insurance.

(13) Issuing, offering, or participating in a plan to issue or offer, any policy or certificate of insurance of any kind or character as an inducement to the purchase of any property, real, personal, or mixed, or services of any kind, where a charge to the insured is not made for and on account of such policy or certificate of insurance. However, this subdivision shall not apply to any of the following:

(A) Insurance issued to credit unions or members of credit unions in connection with the purchase of shares in such credit unions.

(B) Insurance employed as a means of guaranteeing the performance of goods and designed to benefit the purchasers or users of such goods.

(C) Title insurance.

(D) Insurance written in connection with an indebtedness and intended as a means of repaying such indebtedness in the event of the death or disability of the insured.



(E) Insurance provided by or through motorists service clubs or associations.

(F) Insurance that is provided to the purchaser or holder of an air transportation ticket and that:

(i) insures against death or nonfatal injury that occurs during the flight to which the ticket relates;

(ii) insures against personal injury or property damage that occurs during travel to or from the airport in a common carrier immediately before or after the flight;

(iii) insures against baggage loss during the flight to which the ticket relates; or

(iv) insures against a flight cancellation to which the ticket relates.

(14) Refusing, because of the for-profit status of a hospital or medical facility, to make payments otherwise required to be made under a contract or policy of insurance for charges incurred by an insured in such a for-profit hospital or other for-profit medical facility licensed by the state department of health.

(15) Refusing to insure an individual, refusing to continue to issue insurance to an individual, limiting the amount, extent, or kind of coverage available to an individual, or charging an individual a different rate for the same coverage, solely because of that individual's blindness or partial blindness, except where the refusal, limitation, or rate differential is based on sound actuarial principles or is related to actual or reasonably anticipated experience.

(16) Committing or performing, with such frequency as to indicate a general practice, unfair claim settlement practices (as defined in section 4.5 of this chapter).

(17) Between policy renewal dates, unilaterally canceling an individual's coverage under an individual or group health insurance policy solely because of the individual's medical or physical condition.

(18) Using a policy form or rider that would permit a cancellation of coverage as described in subdivision (17).

(19) Violating IC 27-1-22-25, IC 27-1-22-26, or IC 27-1-22-26.1 concerning motor vehicle insurance rates.

(20) Violating IC 27-8-21-2 concerning advertisements referring to interest rate guarantees.

(21) Violating IC 27-8-24.3 concerning insurance and health plan coverage for victims of abuse.

(22) Violating IC 27-8-26 concerning genetic screening or testing.



(23) Violating IC 27-1-15.6-3(b) concerning licensure of insurance producers.

(24) Violating IC 27-1-38 concerning depository institutions.

(25) Violating IC 27-8-28-17(c) or IC 27-13-10-8(c) concerning the resolution of an appealed grievance decision.

(26) Violating IC 27-8-5-2.5(e) through IC 27-8-5-2.5(j) (expired July 1, 2007, and removed) or IC 27-8-5-19.2 (expired July 1, 2007, and repealed).

(27) Violating IC 27-2-21 concerning use of credit information.

(28) Violating IC 27-4-9-3 concerning recommendations to consumers.

(29) Engaging in dishonest or predatory insurance practices in marketing or sales of insurance to members of the United States Armed Forces as:

(A) described in the federal Military Personnel Financial Services Protection Act, P.L.109-290; or

(B) defined in rules adopted under subsection (b).

(30) Violating IC 27-8-19.8-20.1 concerning stranger originated life insurance.

(31) Violating IC 27-2-22 concerning retained asset accounts.

(32) Violating IC 27-8-5-29 concerning health plans offered through a health benefit exchange (as defined in IC 27-19-2-8).

(33) Violating a requirement of the federal Patient Protection and Affordable Care Act (P.L. 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (P.L. 111-152), that is enforceable by the state.

(34) After June 30, 2015, violating IC 27-2-23 concerning unclaimed life insurance, annuity, or retained asset account benefits.

(35) Willfully violating IC 27-1-12-46 concerning a life insurance policy or certificate described in IC 27-1-12-46(a).

(36) Violating IC 27-1-37-7 concerning prohibiting the disclosure of health care service claims data.

(b) Except with respect to federal insurance programs under Subchapter III of Chapter 19 of Title 38 of the United States Code, the commissioner may, consistent with the federal Military Personnel Financial Services Protection Act (10 U.S.C. 992 note), adopt rules under IC 4-22-2 to:

(1) define; and

(2) while the members are on a United States military installation or elsewhere in Indiana, protect members of the United States Armed Forces from;



dishonest or predatory insurance practices.

SECTION 20. IC 27-7-6-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 5. ~~(a) No~~ **A** notice of cancellation of a policy to which section 4 of this chapter applies ~~shall be is not~~ effective:

~~(1) unless it is mailed or delivered~~ by the insurer to the named insured at least twenty (20) days prior to the effective date of cancellation; ~~provided, however, that where or~~

~~(2) if the~~ cancellation is for nonpayment of premium, ~~unless it is:~~

~~(A) mailed by the insurer to the named insured~~ at least ten (10) days ~~notice before the effective date~~ of cancellation; ~~and~~

~~(B) accompanied by the a written statement of the reason therefor shall be given. for the cancellation.~~

~~(b) In the event such~~ **If** a policy was procured by an **independent** insurance producer duly licensed by the state of Indiana, notice of intent to cancel **the policy** shall be mailed ~~or delivered~~ to the **independent** insurance producer at least ten (10) days prior to ~~such the~~ mailing ~~or delivery of the notice of cancellation~~ to the named insured **under subsection (a)**, unless such notice of intent to cancel is or has been waived in writing by the **independent** insurance producer.

~~(c) Unless a written statement of the reason for the cancellation accompanies or is included in the notice of cancellation, the notice of cancellation of a policy that is mailed under subsection (a) shall state or be accompanied by a statement that, upon the written request of the named insured that is mailed or delivered to the insurer not less than fifteen (15) days prior to the effective date of cancellation, the insurer will specify the reason for such cancellation.~~

~~(d) This section shall does~~ not apply to nonrenewal.

SECTION 21. IC 27-7-6-6, AS AMENDED BY P.L.148-2017, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 6. (a) ~~No~~ **An** insurer shall **not** fail to renew a policy unless it ~~shall mail or deliver mails~~ to the named insured, at the address shown in the policy, at least twenty (20) days advance notice of its intention not to renew **the policy**.

~~(b) In the event such~~ **If** a policy was procured by an **independent** insurance producer duly licensed by the state of Indiana, **a** notice of intent not to renew **the policy** shall be mailed ~~or delivered~~ to the **independent** insurance producer at least ten (10) days prior to ~~such the~~ mailing ~~or delivery of the notice of intention not to renew~~ to the named insured **under subsection (a)**, unless such notice of intent is or has been waived in writing by the **independent** insurance producer.

~~(b) (c) This section shall does~~ not apply:

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

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

~~(c)~~ **(d)** A notice of intention not to renew is not required **under this section** if:

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

SECTION 22. IC 27-7-12-3, AS AMENDED BY P.L.116-2011, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 3. (a) Notice of cancellation of property insurance coverage by an insurer must:

- (1) be in writing;
- (2) be ~~delivered~~ or mailed to the named insured at the last known address of the named insured;
- (3) state the effective date of the cancellation; and
- (4) upon request of the named insured, be accompanied by a written explanation of the specific reasons for the cancellation.

(b) An insurer shall **provide mail** written notice of cancellation to the named insured at least:

- (1) ten (10) days before canceling a policy, if the cancellation is for nonpayment of a premium;
- (2) twenty (20) days before canceling a policy, if:
 - (A) the cancellation occurs more than sixty (60) days after the date of issuance of the policy; or
 - (B) the insurer has received a copy of a complaint under IC 32-30-10.5-8(d)(2) concerning the property; and
- (3) ten (10) days before canceling a policy, if the cancellation occurs not more than sixty (60) days after the date of issuance of the policy.

(c) If the policy was procured by an independent insurance producer licensed in Indiana, the insurer shall ~~deliver~~ or mail notice of cancellation to the insurance producer not less than ten (10) days before the insurer ~~delivers~~ or mails the notice to the named insured, unless the obligation to notify the insurance producer is waived in writing by the insurance producer.



SECTION 23. IC 27-7-12-4, AS AMENDED BY P.L.148-2017, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 4. (a) Notice of nonrenewal by an insurer must:

- (1) be in writing;
- (2) be ~~delivered~~ or 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 ~~provided~~ **mailed** to the named insured at least twenty (20) days before the expiration of the current policy period.

(b) If the policy was procured by an independent insurance producer licensed in Indiana, the insurer shall ~~deliver~~ or mail notice of nonrenewal to the insurance producer not less than ten (10) days before the insurer ~~delivers~~ or 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 ~~or delivers~~ 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 **provide mail** to the insured notice of intention not to renew."

and when so amended that said bill do pass.

(Reference is to HB 1405 as introduced.)

CARBAUGH

Committee Vote: yeas 13, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Insurance and Financial Institutions, to which was referred House Bill No. 1405, has had the same under consideration and begs leave to report the same

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back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 10, begin a new paragraph and insert:

"SECTION 1. IC 12-7-2-155.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 155.4. (a) This section applies after June 30, 2023.**

(b) "Qualified provider", for purposes of IC 12-15-1-16, means:

(1) a school based nurse; or

(2) another provider who:

(A) is licensed and in good standing with the Indiana professional licensing agency; and

(B) is employed by or contracts with a school corporation that participates in Medicaid.

SECTION 2. IC 12-7-2-170.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 170.5. (a) This section applies after June 30, 2023.**

(b) "School based nurse", for purposes of section 155.4 of this chapter and IC 12-15-1-16, means a registered nurse or licensed practical nurse licensed under IC 25-23-1 who is employed by or contracts with a school corporation that participates in Medicaid to provide school based Medicaid covered services for a Medicaid recipient.

SECTION 3. IC 12-15-1-16, AS AMENDED BY P.L.108-2019, SECTION 193, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 16. (a) Each:

(1) school corporation; or

(2) school corporation's employed, licensed, or qualified provider; must enroll in a program to use federal funds under the Medicaid program (IC 12-15-1 et seq.) with the intent to share the costs of services that are reimbursable under the Medicaid program and that are provided to eligible children by the school corporation. However, a school corporation or a school corporation's employed, licensed, or qualified provider is not required to file any claims or participate in the program developed under this section.

(b) The secretary and the department of education may develop policies and adopt rules to administer the program developed under this section.

(c) The federal reimbursement for services provided under this section must be distributed to the school corporation. The state shall retain the nonfederal share of the reimbursement for Medicaid services



provided under this section.

(d) The office of Medicaid policy and planning, with the approval of the budget agency and after consultation with the department of education, shall establish procedures for the timely distribution of federal reimbursement due to the school corporations. The distribution procedures may provide for offsetting reductions to distributions of state tuition support or other state funds to school corporations in the amount of the nonfederal reimbursements required to be retained by the state under subsection (c).

(e) This subsection applies after June 30, 2023. The office may apply to the United States Department of Health and Human Services for a state plan amendment to allow school corporations to seek Medicaid reimbursement for medically necessary, school based Medicaid covered services that are provided under federal or state mandates. If the state plan amendment is approved and implemented, and subject to subsection (g), services may be provided by a qualified provider in a school setting to Medicaid enrolled students, if the services are offered pursuant to any of the following:

- (1) An individualized education program (as defined in IC 20-18-2-9).**
- (2) A plan developed under Section 504 of the federal Rehabilitation Act, 29 U.S.C. 794.**
- (3) A behavioral intervention plan (as defined in IC 20-20-40-1).**
- (4) A service plan developed under 511 IAC 7-34.**
- (5) An individualized health care plan.**

The office may, in consultation with the department of education, develop any necessary state plan amendment under this subsection. The office may apply for any state plan amendment necessary to implement this subsection.

(f) This subsection applies after June 30, 2023. If the state plan amendment described in subsection (e) is approved and implemented, the medically necessary, school based Medicaid covered services described in subsection (e):

- (1) may only be performed by a qualified provider;**
- (2) must be within the qualified provider's scope of practice;**
- and**
- (3) must be provided in accordance with this article and administrative rules concerning the Medicaid program.**

(g) This subsection applies after June 30, 2023. Services under subsection (e) may not include the following:



- (1) An abortion.
- (2) Counseling for abortion procedures.
- (3) Referrals for abortion services.
- (4) Abortifacients.
- (5) Contraceptives.

SECTION 4. IC 12-15-1.3-22 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 22. (a) Before December 31, 2021, the office of Medicaid policy and planning shall apply to the United States Department of Health and Human Services for a state plan amendment that:**

- (1) provides for establishment of the long term care partnership program as described in IC 12-15-39.8;
- (2) provides that the long term care program established under IC 12-15-39.6 shall be discontinued on the date on which the long term care partnership program described in IC 12-15-39.8 is fully implemented; and
- (3) ensures, with the explicit concurrence of the United States Department of Health and Human Services, that an individual who purchased a qualified long term care policy (as defined in IC 12-15-39.6-5) before the discontinuance of the long term care program established under IC 12-15-39.6 shall be eligible for an asset disregard under IC 12-15-39.6-10 notwithstanding the discontinuance of the long term care program, as provided in IC 12-15-39.6-12.

(b) If the office receives approval for the state plan amendment described in subsection (a):

- (1) the office shall implement the state plan amendment not later than sixty (60) days after the state plan amendment is approved; and
- (2) the office shall publish in the Indiana Register under IC 4-22-7-7 a statement:

(A) announcing that the state plan amendment described in subsection (a) has been approved by the United States Department of Health and Human Services; and

(B) setting forth the date on which:

- (i) the office will fully implement the state plan amendment under subsection (b)(1); and
- (ii) the long term care program established under IC 12-15-39.6 will be discontinued.

(c) If the office does not receive approval for a state plan amendment described in subsection (a):



- (1) the office shall take no action under subsection (b); and
- (2) the office and the department of insurance:
- (A) shall study:
- (i) the long term care program established under IC 12-15-39.6, including the affordability and cost effectiveness of the program for individuals who purchase qualified long term care policies (as defined in IC 12-15-39.6-5); and
- (ii) the affordability and cost effectiveness of long term care partnership programs established under Section 6021 of the federal Deficit Reduction Act of 2005;
- (B) may solicit the comments and recommendations of individuals with experience and expertise in the fields of Medicaid, insurance, personal finance, and government concerning the subjects set forth in clause (A);
- (C) shall make findings and recommendations concerning ways in which the affordability and cost effectiveness of the long term care program established under IC 12-15-39.6 can be improved; and
- (D) shall, not later than December 1, 2022:
- (i) issue a report setting forth the findings and recommendations made under clause (C); and
- (ii) submit the report to the executive director of the legislative services agency in an electronic format under IC 5-14-6 for distribution to the members of the general assembly."

Page 1, line 13, after "Sec. 0.5." insert "(a)".

Page 1, delete line 17, begin a new paragraph and insert:

"(b) This chapter does not apply to a qualified long term care policy issued after the long term care program established by this chapter is discontinued.

(c) Subject to section 12 of this chapter, the long term care program established by this chapter is discontinued on the date set forth under IC 12-15-1.3-22(b)(2)(B)(ii) in the statement published in the Indiana Register by the office of Medicaid policy and planning."

Page 2, delete lines 1 through 32.

Page 2, line 37, delete "This" and insert "(a) Notwithstanding sections 4 through 8 of this chapter:

- (1) the Indiana long term care insurance partnership program is established; and
- (2) the duties, powers, and responsibilities set forth in sections



4 through 8 of this chapter are imposed, conferred, and established;
on the date set forth under IC 12-15-1.3-22(b)(2)(B)(i) in the statement published in the Indiana Register by the office of Medicaid policy and planning.

(b) Subject to subsection (a), this".

Page 5, line 34, delete "made." and insert "made, **unless the provider:**

- (1) within the initial thirty (30) days, seeks an extension of not more than thirty (30) days; and**
- (2) informs the patient in writing of the reasons for the extension and the date by which the provider will provide the health records.**

Health records requested under this section must be provided as soon as practicably possible."

Page 5, between lines 38 and 39, begin a new paragraph and insert:
 "SECTION 10. IC 16-47-1-5, AS AMENDED BY P.L.121-2016, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 5. (a) This subsection does not apply to prescription drugs that are dispensed through an onsite clinic. The following shall participate in the program:

- (1) The department, for a health benefit plan:
 - (A) described in section 2(1) or 2(2) of this chapter; and
 - (B) that provides coverage for prescription drugs.
- (2) After June 30, 2011, a state educational institution, for a health benefit plan:
 - (A) described in section 2(3) of this chapter; and
 - (B) that provides coverage for prescription drugs;
 unless the budget agency determines that the state educational institution's participation in the program would not result in an overall financial benefit to the state educational institution. The budget agency may delay compliance with this subdivision to a date after July 1, 2011, that is determined by the budget agency to allow for the orderly transition from another program.
- (b) The following may participate in the program:
 - (1) A state agency other than the department that:
 - (A) purchases prescription drugs; or
 - (B) arranges for the payment of the cost of prescription drugs.
 - (2) A local unit (as defined in IC 5-10-8-1).
 - (3) A nonprofit association of cities and towns.**
 - (4) The Indiana comprehensive health insurance association established under IC 27-8-10.**



(c) The state Medicaid program may not participate in the program under this chapter.

SECTION 11. IC 20-28-1-11, AS AMENDED BY P.L.197-2007, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 11. School psychology means the following:

(1) Administering, scoring, and interpreting educational, cognitive, career, vocational, behavioral, and affective tests and procedures that address a student's:

- (A) education;
- (B) developmental status;
- (C) attention skills; and
- (D) social, emotional, and behavioral functioning;

as they relate to the student's learning or training in the academic or vocational environment.

(2) Providing consultation, collaboration, and intervention services (not including psychotherapy) and providing referral to community resources to:

- (A) students;
- (B) parents of students;
- (C) teachers;
- (D) school administrators; and
- (E) school staff;

concerning learning and performance in the educational process.

(3) Participating in or conducting research relating to a student's learning and performance in the educational process:

- (A) regarding the educational, developmental, career, vocational, or attention functioning of the student; or
- (B) screening social, affective, and behavioral functioning of the student.

(4) Providing inservice or continuing education services relating to learning and performance in the educational process to schools, parents, or others.

(5) Supervising school psychology services.

(6) Referring a student: ~~to:~~

- (A) **to** a speech-language pathologist or an audiologist licensed under IC 25-35.6 for services for speech, hearing, and language disorders; **or**
- (B) **to** an occupational therapist licensed under IC 25-23.5 for occupational therapy services; **or**
- (C) **after June 30, 2023, to a physical therapist licensed under IC 25-27 for mandated school services within a physical therapist's scope of practice;**



by a school psychologist who is employed by a school corporation and who is defined as a practitioner of the healing arts for the purpose of referrals under 42 CFR 440.110.

The term does not include the diagnosis or treatment of mental and nervous disorders, except for conditions and interventions provided for in state and federal mandates affecting special education and vocational evaluations as the evaluations relate to the assessment of handicapping conditions and special education decisions or as the evaluations pertain to the placement of children and the placement of adults with a developmental disability.

SECTION 12. IC 25-27-1-2, AS AMENDED BY P.L.160-2019, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 2. (a) Except as otherwise provided in this chapter, it is unlawful for a person or business entity to do the following:

- (1) Practice physical therapy without first obtaining from the board a license authorizing the person to practice physical therapy in this state.
- (2) Profess to be or promote an employee to be a physical therapist, physiotherapist, doctor of physiotherapy, doctor of physical therapy, or registered physical therapist or to use the initials P.T., D.P.T., L.P.T., or R.P.T., or any other letters, words, abbreviations, or insignia indicating that physical therapy is provided by a physical therapist, unless physical therapy is provided by or under the direction of a physical therapist.
- (3) Advertise services for physical therapy or physiotherapy services, unless the individual performing those services is a physical therapist.

(b) Except as provided in **subsection (e) and** section 2.5 of this chapter, it is unlawful for a person to practice physical therapy other than upon the order or referral of a physician, podiatrist, psychologist, chiropractor, dentist, nurse practitioner, or physician assistant holding an unlimited license to practice medicine, podiatric medicine, psychology, chiropractic, dentistry, nursing, or as a physician assistant, respectively. It is unlawful for a physical therapist to use the services of a physical therapist assistant except as provided under this chapter. For the purposes of this subsection, the function of:

- (1) teaching;
- (2) doing research;
- (3) providing advisory services; or
- (4) conducting seminars on physical therapy;

is not considered to be a practice of physical therapy.

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(c) Except as otherwise provided in this chapter, it is unlawful for a person to profess to be or act as a physical therapist assistant or to use the initials P.T.A. or any other letters, words, abbreviations, or insignia indicating that the person is a physical therapist assistant without first obtaining from the board a certificate authorizing the person to act as a physical therapist assistant. It is unlawful for the person to act as a physical therapist assistant other than under the general supervision of a licensed physical therapist who is in responsible charge of a patient. However, nothing in this chapter prohibits a person licensed or registered in this state under another law from engaging in the practice for which the person is licensed or registered. These exempted persons include persons engaged in the practice of osteopathic medicine, chiropractic, or podiatric medicine.

(d) Except as provided in section 2.5 of this chapter, this chapter does not authorize a person who is licensed as a physical therapist or certified as a physical therapist assistant to:

- (1) evaluate any physical disability or mental disorder except upon the order or referral of a physician, podiatrist, psychologist, chiropractor, physician assistant, nurse practitioner, or dentist;
- (2) practice medicine, surgery (as described in IC 25-22.5-1-1.1(a)(1)(C)), dentistry, optometry, osteopathic medicine, psychology, chiropractic, or podiatric medicine; or
- (3) prescribe a drug or other remedial substance used in medicine.

(e) This subsection applies after June 30, 2023. Upon the referral of a licensed school psychologist, a physical therapist who is:

- (1) licensed under this article; and**
- (2) an employee or contractor of a school corporation;**

may provide mandated school services to a student that are within the physical therapist's scope of practice."

Page 11, between lines 4 and 5, begin a new paragraph and insert:
"SECTION 17. IC 27-1-24.6 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]:

Chapter 24.6. Disclosure of Negotiated Rate

Sec. 1. This chapter applies to generic drugs covered under a health plan and dispensed or administered to a covered individual after January 1, 2022.

Sec. 2. As used in this chapter, "covered individual" means an individual who is entitled to coverage under a health plan.

Sec. 3. As used in this chapter, "generic drug" has the meaning set forth in IC 27-1-24.5-4.



Sec. 4. As used in this chapter, "health plan" means the following:

- (1) A state employee health plan (as defined in IC 5-10-8-7).
- (2) A policy of accident and sickness insurance (as defined in IC 27-8-5-1).
- (3) An individual contract (as defined in IC 27-13-1-21) or a group contract (as defined in IC 27-13-1-16).

Sec. 5. As used in this chapter, "maximum allowable cost" means the maximum amount that a pharmacy benefit manager will reimburse a pharmacy for the cost of a prescription drug. The term does not include a dispensing fee or a professional fee.

Sec. 6. A health plan must provide the amount of the maximum allowable cost for a prescription drug on the written materials provided to the covered individual at the point of sale of the prescription drug.

SECTION 18. IC 27-1-24.7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]:

Chapter 24.7. Disclosure of Rebates

Sec. 1. This chapter applies to an agreement between a pharmacy benefit manager and a health plan regarding prescription drugs that is entered into, renewed, or renegotiated after December 31, 2021. This chapter does not apply to a health plan, with point of sale rebates, if at least eighty-five percent (85%) of the estimated rebates are deducted from the cost of prescription drugs dispensed at a pharmacy or via mail order before a covered individual's cost sharing requirement is determined.

Sec. 2. As used in this chapter, "covered individual" means an individual who is entitled to coverage under a health plan.

Sec. 3. As used in this chapter, "health plan" means the following:

- (1) A state employee health plan (as defined in IC 5-10-8-7).
- (2) A policy of accident and sickness insurance (as defined in IC 27-8-5-1).
- (3) An individual contract (as defined in IC 27-13-1-21) and a group contract (as defined in IC 27-13-1-16).
- (4) Any other plan or program that provides payment, reimbursement, or indemnification to a covered individual for the cost of prescription drugs.

Sec. 4. As used in this chapter, "policyholder" means an individual in whose name a health plan is held.

Sec. 5. As used in this chapter, "prescription drug" means a



controlled substance or a legend drug (as defined in IC 16-18-2-199).

Sec. 6. (a) As used in this chapter, "rebate" means a discount or other price concession that is:

- (1) based on the use of a prescription drug; and
- (2) paid by a manufacturer or a third party to a pharmacy benefit manager (as defined in IC 27-1-24.5-12), pharmacy services administrative organization (as defined in IC 27-1-24.5-15), or pharmacy (as defined in IC 27-1-24.5-11) after a claim has been processed and paid at a pharmacy.

(b) The term includes an incentive and a disbursement.

Sec. 7. An agreement to which this chapter applies must contain a contractual provision that requires the pharmacy benefit manager to provide on an annual basis, not later than sixty (60) days after the end of each policy year, a notice to a policyholder that states the following:

- (1) An explanation of what a rebate is.
- (2) An explanation of how rebates accrue to a health plan from a manufacturer.
- (3) The aggregate amount of rebates for all prescription drugs dispensed or administered to covered individuals on the policyholder's health plan that accrued to the health plan during the previous policy year. This information may not include any information about an individual prescription drug, including the name, manufacturer, quantity, or dosage of a prescription drug.

The notice required by this section may be provided by first class mail or electronic mail."

Page 15, line 40, after "representatives," insert "or an insurance producer acting on the insurance producer's own behalf,".

Page 15, line 41, delete "services that:" and insert "services:".

Page 15, line 42, after "(1)" insert "that".

Page 16, delete lines 2 through 8, begin a new line block indented and insert:

"(2) that:

(A) are primarily intended to:

- (i) educate about;
- (ii) assess;
- (iii) monitor;
- (iv) control; or
- (v) prevent;

risk of loss to persons or to persons' lives, health, or



property; or

(B) have a nexus to or enhance the value of the insurance benefits of the policy."

Page 16, delete lines 32 through 42, begin a new paragraph and insert:

"SECTION 27. IC 27-4-1-4, AS AMENDED BY HEA 1079-2021, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 4. (a) The following are hereby defined as unfair methods of competition and unfair and deceptive acts and practices in the business of insurance:

(1) Making, issuing, circulating, or causing to be made, issued, or circulated, any estimate, illustration, circular, or statement:

(A) misrepresenting the terms of any policy issued or to be issued or the benefits or advantages promised thereby or the dividends or share of the surplus to be received thereon;

(B) making any false or misleading statement as to the dividends or share of surplus previously paid on similar policies;

(C) making any misleading representation or any misrepresentation as to the financial condition of any insurer, or as to the legal reserve system upon which any life insurer operates;

(D) using any name or title of any policy or class of policies misrepresenting the true nature thereof; or

(E) making any misrepresentation to any policyholder insured in any company for the purpose of inducing or tending to induce such policyholder to lapse, forfeit, or surrender the policyholder's insurance.

(2) Making, publishing, disseminating, circulating, or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio or television station, or in any other way, an advertisement, announcement, or statement containing any assertion, representation, or statement with respect to any person in the conduct of the person's insurance business, which is untrue, deceptive, or misleading.

(3) Making, publishing, disseminating, or circulating, directly or indirectly, or aiding, abetting, or encouraging the making, publishing, disseminating, or circulating of any oral or written statement or any pamphlet, circular, article, or literature which is



false, or maliciously critical of or derogatory to the financial condition of an insurer, and which is calculated to injure any person engaged in the business of insurance.

(4) Entering into any agreement to commit, or individually or by a concerted action committing any act of boycott, coercion, or intimidation resulting or tending to result in unreasonable restraint of, or a monopoly in, the business of insurance.

(5) Filing with any supervisory or other public official, or making, publishing, disseminating, circulating, or delivering to any person, or placing before the public, or causing directly or indirectly, to be made, published, disseminated, circulated, delivered to any person, or placed before the public, any false statement of financial condition of an insurer with intent to deceive. Making any false entry in any book, report, or statement of any insurer with intent to deceive any agent or examiner lawfully appointed to examine into its condition or into any of its affairs, or any public official to which such insurer is required by law to report, or which has authority by law to examine into its condition or into any of its affairs, or, with like intent, willfully omitting to make a true entry of any material fact pertaining to the business of such insurer in any book, report, or statement of such insurer.

(6) Issuing or delivering or permitting agents, officers, or employees to issue or deliver, agency company stock or other capital stock, or benefit certificates or shares in any common law corporation, or securities or any special or advisory board contracts or other contracts of any kind promising returns and profits as an inducement to insurance.

(7) Making or permitting any of the following:

(A) Unfair discrimination between individuals of the same class and equal expectation of life in the rates or assessments charged for any contract of life insurance or of life annuity or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of such contract. However, in determining the class, consideration may be given to the nature of the risk, plan of insurance, the actual or expected expense of conducting the business, or any other relevant factor.

(B) Unfair discrimination between individuals of the same class involving essentially the same hazards in the amount of premium, policy fees, assessments, or rates charged or made for any policy or contract of accident or health insurance or in the benefits payable thereunder, or in any of the terms or



conditions of such contract, or in any other manner whatever. However, in determining the class, consideration may be given to the nature of the risk, the plan of insurance, the actual or expected expense of conducting the business, or any other relevant factor.

(C) Excessive or inadequate charges for premiums, policy fees, assessments, or rates, or making or permitting any unfair discrimination between persons of the same class involving essentially the same hazards, in the amount of premiums, policy fees, assessments, or rates charged or made for:

- (i) policies or contracts of reinsurance or joint reinsurance, or abstract and title insurance;
- (ii) policies or contracts of insurance against loss or damage to aircraft, or against liability arising out of the ownership, maintenance, or use of any aircraft, or of vessels or craft, their cargoes, marine builders' risks, marine protection and indemnity, or other risks commonly insured under marine, as distinguished from inland marine, insurance; or
- (iii) policies or contracts of any other kind or kinds of insurance whatsoever.

However, nothing contained in clause (C) shall be construed to apply to any of the kinds of insurance referred to in clauses (A) and (B) nor to reinsurance in relation to such kinds of insurance. Nothing in clause (A), (B), or (C) shall be construed as making or permitting any excessive, inadequate, or unfairly discriminatory charge or rate or any charge or rate determined by the department or commissioner to meet the requirements of any other insurance rate regulatory law of this state.

(8) Except as otherwise expressly provided by **IC 27-1-47** or **another** law, knowingly permitting or offering to make or making any contract or policy of insurance of any kind or kinds whatsoever, including but not in limitation, life annuities, or agreement as to such contract or policy other than as plainly expressed in such contract or policy issued thereon, or paying or allowing, or giving or offering to pay, allow, or give, directly or indirectly, as inducement to such insurance, or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends, savings, or other benefits thereon, or any valuable consideration or inducement whatever not specified in the contract or policy; or giving, or selling, or purchasing or offering to give, sell, or purchase as inducement to such insurance or annuity or in connection therewith, any stocks, bonds, or other



securities of any insurance company or other corporation, association, limited liability company, or partnership, or any dividends, savings, or profits accrued thereon, or anything of value whatsoever not specified in the contract. Nothing in this subdivision and subdivision (7) shall be construed as including within the definition of discrimination or rebates any of the following practices:

- (A) Paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from nonparticipating insurance, so long as any such bonuses or abatement of premiums are fair and equitable to policyholders and for the best interests of the company and its policyholders.
- (B) In the case of life insurance policies issued on the industrial debit plan, making allowance to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer in an amount which fairly represents the saving in collection expense.
- (C) Readjustment of the rate of premium for a group insurance policy based on the loss or expense experience thereunder, at the end of the first year or of any subsequent year of insurance thereunder, which may be made retroactive only for such policy year.
- (D) Paying by an insurer or insurance producer thereof duly licensed as such under the laws of this state of money, commission, or brokerage, or giving or allowing by an insurer or such licensed insurance producer thereof anything of value, for or on account of the solicitation or negotiation of policies or other contracts of any kind or kinds, to a broker, an insurance producer, or a solicitor duly licensed under the laws of this state, but such broker, insurance producer, or solicitor receiving such consideration shall not pay, give, or allow credit for such consideration as received in whole or in part, directly or indirectly, to the insured by way of rebate.
- (9) Requiring, as a condition precedent to loaning money upon the security of a mortgage upon real property, that the owner of the property to whom the money is to be loaned negotiate any policy of insurance covering such real property through a particular insurance producer or broker or brokers. However, this subdivision shall not prevent the exercise by any lender of the lender's right to approve or disapprove of the insurance company selected by the borrower to underwrite the insurance.
- (10) Entering into any contract, combination in the form of a trust



or otherwise, or conspiracy in restraint of commerce in the business of insurance.

(11) Monopolizing or attempting to monopolize or combining or conspiring with any other person or persons to monopolize any part of commerce in the business of insurance. However, participation as a member, director, or officer in the activities of any nonprofit organization of insurance producers or other workers in the insurance business shall not be interpreted, in itself, to constitute a combination in restraint of trade or as combining to create a monopoly as provided in this subdivision and subdivision (10). The enumeration in this chapter of specific unfair methods of competition and unfair or deceptive acts and practices in the business of insurance is not exclusive or restrictive or intended to limit the powers of the commissioner or department or of any court of review under section 8 of this chapter.

(12) Requiring as a condition precedent to the sale of real or personal property under any contract of sale, conditional sales contract, or other similar instrument or upon the security of a chattel mortgage, that the buyer of such property negotiate any policy of insurance covering such property through a particular insurance company, insurance producer, or broker or brokers. However, this subdivision shall not prevent the exercise by any seller of such property or the one making a loan thereon of the right to approve or disapprove of the insurance company selected by the buyer to underwrite the insurance.

(13) Issuing, offering, or participating in a plan to issue or offer, any policy or certificate of insurance of any kind or character as an inducement to the purchase of any property, real, personal, or mixed, or services of any kind, where a charge to the insured is not made for and on account of such policy or certificate of insurance. However, this subdivision shall not apply to any of the following:

- (A) Insurance issued to credit unions or members of credit unions in connection with the purchase of shares in such credit unions.
- (B) Insurance employed as a means of guaranteeing the performance of goods and designed to benefit the purchasers or users of such goods.
- (C) Title insurance.
- (D) Insurance written in connection with an indebtedness and intended as a means of repaying such indebtedness in the



event of the death or disability of the insured.

(E) Insurance provided by or through motorists service clubs or associations.

(F) Insurance that is provided to the purchaser or holder of an air transportation ticket and that:

(i) insures against death or nonfatal injury that occurs during the flight to which the ticket relates;

(ii) insures against personal injury or property damage that occurs during travel to or from the airport in a common carrier immediately before or after the flight;

(iii) insures against baggage loss during the flight to which the ticket relates; or

(iv) insures against a flight cancellation to which the ticket relates.

(14) Refusing, because of the for-profit status of a hospital or medical facility, to make payments otherwise required to be made under a contract or policy of insurance for charges incurred by an insured in such a for-profit hospital or other for-profit medical facility licensed by the state department of health.

(15) Refusing to insure an individual, refusing to continue to issue insurance to an individual, limiting the amount, extent, or kind of coverage available to an individual, or charging an individual a different rate for the same coverage, solely because of that individual's blindness or partial blindness, except where the refusal, limitation, or rate differential is based on sound actuarial principles or is related to actual or reasonably anticipated experience.

(16) Committing or performing, with such frequency as to indicate a general practice, unfair claim settlement practices (as defined in section 4.5 of this chapter).

(17) Between policy renewal dates, unilaterally canceling an individual's coverage under an individual or group health insurance policy solely because of the individual's medical or physical condition.

(18) Using a policy form or rider that would permit a cancellation of coverage as described in subdivision (17).

(19) Violating IC 27-1-22-25, IC 27-1-22-26, or IC 27-1-22-26.1 concerning motor vehicle insurance rates.

(20) Violating IC 27-8-21-2 concerning advertisements referring to interest rate guarantees.

(21) Violating IC 27-8-24.3 concerning insurance and health plan coverage for victims of abuse.



- (22) Violating IC 27-8-26 concerning genetic screening or testing.
 - (23) Violating IC 27-1-15.6-3(b) concerning licensure of insurance producers.
 - (24) Violating IC 27-1-38 concerning depository institutions.
 - (25) Violating IC 27-8-28-17(c) or IC 27-13-10-8(c) concerning the resolution of an appealed grievance decision.
 - (26) Violating IC 27-8-5-2.5(e) through IC 27-8-5-2.5(j) (expired July 1, 2007, and removed) or IC 27-8-5-19.2 (expired July 1, 2007, and repealed).
 - (27) Violating IC 27-2-21 concerning use of credit information.
 - (28) Violating IC 27-4-9-3 concerning recommendations to consumers.
 - (29) Engaging in dishonest or predatory insurance practices in marketing or sales of insurance to members of the United States Armed Forces as:
 - (A) described in the federal Military Personnel Financial Services Protection Act, P.L. 109-290; or
 - (B) defined in rules adopted under subsection (b).
 - (30) Violating IC 27-8-19.8-20.1 concerning stranger originated life insurance.
 - (31) Violating IC 27-2-22 concerning retained asset accounts.
 - (32) Violating IC 27-8-5-29 concerning health plans offered through a health benefit exchange (as defined in IC 27-19-2-8).
 - (33) Violating a requirement of the federal Patient Protection and Affordable Care Act (P.L. 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (P.L. 111-152), that is enforceable by the state.
 - (34) After June 30, 2015, violating IC 27-2-23 concerning unclaimed life insurance, annuity, or retained asset account benefits.
 - (35) Willfully violating IC 27-1-12-46 concerning a life insurance policy or certificate described in IC 27-1-12-46(a).
 - (36) Violating IC 27-1-37-7 concerning prohibiting the disclosure of health care service claims data.
 - (37) Violating IC 27-4-10-10 concerning virtual claim payments.
- (b) Except with respect to federal insurance programs under Subchapter III of Chapter 19 of Title 38 of the United States Code, the commissioner may, consistent with the federal Military Personnel Financial Services Protection Act (10 U.S.C. 992 note), adopt rules under IC 4-22-2 to:
- (1) define; and
 - (2) while the members are on a United States military installation



or elsewhere in Indiana, protect members of the United States Armed Forces from; dishonest or predatory insurance practices."

Delete pages 17 through 22.

Page 23, delete lines 1 through 28.

Page 24, line 10, strike "or delivered".

Page 26, after line 12, begin a new paragraph and insert:

"SECTION 32. IC 27-10-2-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 15. (a) If money or bonds have been ~~deposited~~, set, bail by sureties may be substituted ~~therefor~~ at any time before a breach of the undertaking.

(b) If bail by sureties is substituted for money or bonds under subsection (a): and

(1) the official taking the new bail shall make an order that the money or bonds be refunded to the person depositing the same money or bonds; and

(2) they the money or bonds shall be refunded accordingly; and

(3) the original undertakings shall be cancelled."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1405 as printed February 9, 2021.)

ZAY, Chairperson

Committee Vote: Yeas 7, Nays 1.

SENATE MOTION

Madam President: I move that Engrossed House Bill 1405 be amended to read as follows:

Page 17, delete lines 23 through 42.

Delete page 18.

Page 19, delete lines 1 through 19.

Renumber all SECTIONS consecutively.

(Reference is to EHB 1405 as printed April 2, 2021.)

ZAY



SENATE MOTION

Madam President: I move that Engrossed House Bill 1405 be amended to read as follows:

Page 17, between lines 22 and 23, begin a new paragraph and insert: "SECTION 15. IC 27-1-24.5-5, AS ADDED BY P.L.68-2020, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 5. As used in this chapter, "health plan" means the following:

- (1) A state employee health plan (as defined in IC 5-10-8-6.7).
- (2) A policy of accident and sickness insurance (as defined in IC 27-8-5-1). However, the term does not include the coverages described in IC 27-8-5-2.5(a).
- (3) An individual contract (as defined in IC 27-13-1-21) or a group contract (as defined in IC 27-13-1-16) that provides coverage for basic health care services (as defined in IC 27-13-1-4).
- (4) Any other plan or program that provides payment, reimbursement, or indemnification to a covered individual for the cost of prescription drugs.**

SECTION 16. IC 27-1-24.5-22.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 22.1. (a) This section applies to an agreement between a pharmacy benefit manager and a health plan regarding prescription drugs that is entered into, renewed, or renegotiated after December 31, 2021. This section does not apply to a health plan, with point of sale rebates, if at least eighty-five percent (85%) of the estimated rebates are deducted from the cost of prescription drugs dispensed at a pharmacy or via mail order before a covered individual's cost sharing requirement is determined.**

(b) As used in this section, "policyholder" means the covered individual in whose name a health plan is held.

(c) As used in this section, "prescription drug" means a controlled substance or a legend drug (as defined in IC 16-18-2-199).

(d) An agreement to which this section applies must contain a contractual provision that requires the pharmacy benefit manager to provide on an annual basis, not later than sixty (60) days after the end of each policy year, a notice to a policyholder that states the following:

- (1) An explanation of what a rebate is.**
- (2) An explanation of how rebates accrue to a health plan**

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from a manufacturer.

(3) The aggregate amount of rebates for all prescription drugs dispensed or administered to covered individuals on the policyholder's health plan that accrued to the health plan during the previous policy year. This information may not include any information about an individual prescription drug, including the name, manufacturer, quantity, or dosage of a prescription drug.

The notice required by this section may be provided by first class mail or electronic mail."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1405 as printed April 2, 2021.)

BOHACEK

SENATE MOTION

Madam President: I move that Engrossed House Bill 1405 be amended to read as follows:

Page 9, delete lines 1 through 28.

Renumber all SECTIONS consecutively.

(Reference is to EHB 1405 as printed April 2, 2021.)

ZAY

SENATE MOTION

Madam President: I move that Engrossed House Bill 1405 be amended to read as follows:

Page 34, delete lines 35 through 42.

Page 35, delete lines 1 through 3.

Renumber all SECTIONS consecutively.

(Reference is to EHB 1405 as printed April 2, 2021.)

ZAY

