

SENATE BILL No. 224

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-1-29-28.

Synopsis: Political subdivision risk management commission. Authorizes the Indiana political subdivision risk management commission to: (1) close the political subdivision risk management fund, the political subdivision catastrophic liability fund, or both funds to any new members; (2) decline to renew the membership of the political subdivisions that are members of the fund or funds; (3) cease operating the fund or funds; and (4) deplete the balance of the fund or funds through the payment of liabilities of former members and, at the discretion of the commission and with the commissioner's approval, the pro rata return to former members of assessments paid by the former members. Authorizes the commission, after any or all of these actions, and with the approval of the insurance commissioner, to resume using the fund or funds to pay the liabilities of members of the fund or funds.

Effective: July 1, 1998.

Worman, Lewis

January 6, 1998, read first time and referred to Committee on Insurance and Interstate Cooperation.



Introduced

Second Regular Session 110th General Assembly (1998)

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 1997 General Assembly.

SENATE BILL No. 224

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

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

- 1 SECTION 1. IC 27-1-29-28 IS ADDED TO THE INDIANA CODE
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 1998]: **Sec. 28. (a) The following definitions apply throughout
4 this section:**
5 (1) "Both funds" means:
6 (A) the risk management fund; and
7 (B) the catastrophic liability fund.
8 (2) "Catastrophic liability fund" refers to the political
9 subdivision catastrophic liability fund established by
10 IC 27-1-29.1-7.
11 (3) "Risk management fund" refers to the political
12 subdivision risk management fund established by section 10
13 of this chapter.
14 (b) Notwithstanding any other provision of this chapter or
15 IC 27-1-29.1, the commission:
16 (1) with the approval of the insurance commissioner; and
17 (2) upon a determination by the commission that:

1998

IN 224—LS 6864/DI 55+



- 1 (A) membership in the fund or funds is declining; and
2 (B) financial conditions warrant the action;
3 is authorized to take action under subsection (c).
4 (c) Under the circumstances set forth in subsection (b), the
5 commission may do the following with respect to the risk
6 management fund, the catastrophic liability fund, or both funds:
7 (1) Prevent any political subdivision that is not already a
8 member of the fund or funds from becoming a member.
9 (2) Decline to renew the membership of the political
10 subdivisions that are members of the fund or funds.
11 (3) When the membership of the last member has expired,
12 cease the operation of the fund or funds, except for:
13 (A) the payment of liabilities of former members of the
14 fund or funds; and
15 (B) the collection of assessments from former members of
16 the fund or funds, if any are due;
17 in accordance with this chapter, IC 27-1-29.1, and rules
18 adopted by the commission.
19 (4) Allow or cause a partial reduction or complete depletion
20 of the balance of the fund or funds through:
21 (A) the payment of liabilities of former members of the
22 fund or funds; and
23 (B) at the discretion of the commission, and with the
24 approval of the commissioner, the pro rata return to
25 former members of assessments paid by former members
26 of the fund or funds;
27 in accordance with this chapter, IC 27-1-29.1, and rules
28 adopted by the commission.
29 (d) After any or all of the actions authorized by subsection (c),
30 the commission, with the approval of the insurance commissioner,
31 may resume using the fund or funds to pay the liabilities of
32 members of the fund or funds under this chapter and IC 27-1-29.1.

