

HOUSE BILL No. 1928

DIGEST OF INTRODUCED BILL

Citations Affected: IC 22-3-6-1; IC 27-8-5.

Synopsis: School corporation employees worker's compensation benefits. Provides that an individual employed by a school corporation who performs secondary casual employment during the hours that the employee is not scheduled to work for the school corporation is not included in the definition of employee for worker's compensation purposes. Provides for continuation of health care benefits when a teacher or employee of a school corporation has exhausted health care benefits under worker's compensation.

Effective: July 1, 1999.

Cheney

January 26, 1999, read first time and referred to Committee on Labor and Employment.

C
O
P
Y



Introduced

First Regular Session 111th General Assembly (1999)

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 1998 General Assembly.

C
O
P
Y

HOUSE BILL No. 1928



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 22-3-6-1 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 1999]: Sec. 1. In IC 22-3-2 through IC 22-3-6,
3 unless the context otherwise requires:

4 (a) "Employer" includes the state and any political subdivision, any
5 municipal corporation within the state, any individual or the legal
6 representative of a deceased individual, firm, association, limited
7 liability company, or corporation or the receiver or trustee of the same,
8 using the services of another for pay. If the employer is insured, the
9 term includes the employer's insurer so far as applicable. However, the
10 inclusion of an employer's insurer within this definition does not allow
11 an employer's insurer to avoid payment for services rendered to an
12 employee with the approval of the employer.

13 (b) "Employee" means every person, including a minor, in the
14 service of another, under any contract of hire or apprenticeship, written
15 or implied, except one whose employment is both casual and not in the



1 usual course of the trade, business, occupation, or profession of the
2 employer.

3 (1) An executive officer elected or appointed and empowered in
4 accordance with the charter and bylaws of a corporation, other
5 than a municipal corporation or governmental subdivision or a
6 charitable, religious, educational, or other nonprofit corporation,
7 is an employee of the corporation under IC 22-3-2 through
8 IC 22-3-6.

9 (2) An executive officer of a municipal corporation or other
10 governmental subdivision or of a charitable, religious,
11 educational, or other nonprofit corporation may, notwithstanding
12 any other provision of IC 22-3-2 through IC 22-3-6, be brought
13 within the coverage of its insurance contract by the corporation by
14 specifically including the executive officer in the contract of
15 insurance. The election to bring the executive officer within the
16 coverage shall continue for the period the contract of insurance is
17 in effect, and during this period, the executive officers thus
18 brought within the coverage of the insurance contract are
19 employees of the corporation under IC 22-3-2 through IC 22-3-6.

20 (3) Any reference to an employee who has been injured, when the
21 employee is dead, also includes the employee's legal
22 representatives, dependents, and other persons to whom
23 compensation may be payable.

24 (4) An owner of a sole proprietorship may elect to include the
25 owner as an employee under IC 22-3-2 through IC 22-3-6 if the
26 owner is actually engaged in the proprietorship business. If the
27 owner makes this election, the owner must serve upon the owner's
28 insurance carrier and upon the board written notice of the
29 election. No owner of a sole proprietorship may be considered an
30 employee under IC 22-3-2 through IC 22-3-6 until the notice has
31 been received. If the owner of a sole proprietorship is an
32 independent contractor in the construction trades and does not
33 make the election provided under this subdivision, the owner
34 must obtain an affidavit of exemption under IC 22-3-2-14.5.

35 (5) A partner in a partnership may elect to include the partner as
36 an employee under IC 22-3-2 through IC 22-3-6 if the partner is
37 actually engaged in the partnership business. If a partner makes
38 this election, the partner must serve upon the partner's insurance
39 carrier and upon the board written notice of the election. No
40 partner may be considered an employee under IC 22-3-2 through
41 IC 22-3-6 until the notice has been received. If a partner in a
42 partnership is an independent contractor in the construction trades

C
O
P
Y



1 and does not make the election provided under this subdivision,
 2 the partner must obtain an affidavit of exemption under
 3 IC 22-3-2-14.5.

4 (6) Real estate professionals are not employees under IC 22-3-2
 5 through IC 22-3-6 if:

6 (A) they are licensed real estate agents;

7 (B) substantially all their remuneration is directly related to
 8 sales volume and not the number of hours worked; and

9 (C) they have written agreements with real estate brokers
 10 stating that they are not to be treated as employees for tax
 11 purposes.

12 (7) A person is an independent contractor in the construction
 13 trades and not an employee under IC 22-3-2 through IC 22-3-6 if
 14 the person is an independent contractor under the guidelines of
 15 the United States Internal Revenue Service.

16 (8) An owner-operator that provides a motor vehicle and the
 17 services of a driver under a written contract that is subject to
 18 IC 8-2.1-24-23, 45 IAC 16-1-13, or 49 CFR 1057, to a motor
 19 carrier is not an employee of the motor carrier for purposes of
 20 IC 22-3-2 through IC 22-3-6. The owner-operator may elect to be
 21 covered and have the owner-operator's drivers covered under a
 22 worker's compensation insurance policy or authorized
 23 self-insurance that insures the motor carrier if the owner-operator
 24 pays the premiums as requested by the motor carrier. An election
 25 by an owner-operator under this subdivision does not terminate
 26 the independent contractor status of the owner-operator for any
 27 purpose other than the purpose of this subdivision.

28 (9) A member or manager in a limited liability company may elect
 29 to include the member or manager as an employee under
 30 IC 22-3-2 through IC 22-3-6 if the member or manager is actually
 31 engaged in the limited liability company business. If a member or
 32 manager makes this election, the member or manager must serve
 33 upon the member's or manager's insurance carrier and upon the
 34 board written notice of the election. A member or manager may
 35 not be considered an employee under IC 22-3-2 through IC 22-3-6
 36 until the notice has been received.

37 **An individual who is employed by a school corporation (as defined**
 38 **in IC 21-6.1-1-7) and who performs secondary casual employment**
 39 **during hours that the employee is not scheduled to work for the**
 40 **school corporation is not an employee for purposes of IC 22-3-2**
 41 **through IC 22-3-6.**

42 (c) "Minor" means an individual who has not reached seventeen

C
O
P
Y



1 (17) years of age.

2 (1) Unless otherwise provided in this subsection, a minor
3 employee shall be considered as being of full age for all purposes
4 of IC 22-3-2 through IC 22-3-6.

5 (2) If the employee is a minor who, at the time of the accident, is
6 employed, required, suffered, or permitted to work in violation of
7 IC 20-8.1-4-25, the amount of compensation and death benefits,
8 as provided in IC 22-3-2 through IC 22-3-6, shall be double the
9 amount which would otherwise be recoverable. The insurance
10 carrier shall be liable on its policy for one-half (1/2) of the
11 compensation or benefits that may be payable on account of the
12 injury or death of the minor, and the employer shall be liable for
13 the other one-half (1/2) of the compensation or benefits. If the
14 employee is a minor who is not less than sixteen (16) years of age
15 and who has not reached seventeen (17) years of age and who at
16 the time of the accident is employed, suffered, or permitted to
17 work at any occupation which is not prohibited by law, this
18 subdivision does not apply.

19 (3) A minor employee who, at the time of the accident, is a
20 student performing services for an employer as part of an
21 approved program under IC 20-10.1-6-7 shall be considered a
22 full-time employee for the purpose of computing compensation
23 for permanent impairment under IC 22-3-3-10. The average
24 weekly wages for such a student shall be calculated as provided
25 in subsection (d)(4).

26 (4) The rights and remedies granted in this subsection to a minor
27 under IC 22-3-2 through IC 22-3-6 on account of personal injury
28 or death by accident shall exclude all rights and remedies of the
29 minor, the minor's parents, or the minor's personal
30 representatives, dependents, or next of kin at common law,
31 statutory or otherwise, on account of the injury or death. This
32 subsection does not apply to minors who have reached seventeen
33 (17) years of age.

34 (d) "Average weekly wages" means the earnings of the injured
35 employee in the employment in which the employee was working at the
36 time of the injury during the period of fifty-two (52) weeks
37 immediately preceding the date of injury, divided by fifty-two (52),
38 except as follows:

39 (1) If the injured employee lost seven (7) or more calendar days
40 during this period, although not in the same week, then the
41 earnings for the remainder of the fifty-two (52) weeks shall be
42 divided by the number of weeks and parts thereof remaining after

C
O
P
Y



1 the time lost has been deducted.

2 (2) Where the employment prior to the injury extended over a
3 period of less than fifty-two (52) weeks, the method of dividing
4 the earnings during that period by the number of weeks and parts
5 thereof during which the employee earned wages shall be
6 followed, if results just and fair to both parties will be obtained.
7 Where by reason of the shortness of the time during which the
8 employee has been in the employment of the employee's employer
9 or of the casual nature or terms of the employment it is
10 impracticable to compute the average weekly wages, as defined
11 in this subsection, regard shall be had to the average weekly
12 amount which during the fifty-two (52) weeks previous to the
13 injury was being earned by a person in the same grade employed
14 at the same work by the same employer or, if there is no person so
15 employed, by a person in the same grade employed in the same
16 class of employment in the same district.

17 (3) Wherever allowances of any character made to an employee
18 in lieu of wages are a specified part of the wage contract, they
19 shall be deemed a part of his earnings.

20 (4) In computing the average weekly wages to be used in
21 calculating an award for permanent impairment under
22 IC 22-3-3-10 for a student employee in an approved training
23 program under IC 20-10.1-6-7, the following formula shall be
24 used. Calculate the product of:

- 25 (A) the student employee's hourly wage rate; multiplied by
- 26 (B) forty (40) hours.

27 The result obtained is the amount of the average weekly wages for
28 the student employee.

29 (e) "Injury" and "personal injury" mean only injury by accident
30 arising out of and in the course of the employment and do not include
31 a disease in any form except as it results from the injury.

32 (f) "Billing review service" refers to a person or an entity that
33 reviews a medical service provider's bills or statements for the purpose
34 of determining pecuniary liability. The term includes an employer's
35 worker's compensation insurance carrier if the insurance carrier
36 performs such a review.

37 (g) "Billing review standard" means the data used by a billing
38 review service to determine pecuniary liability.

39 (h) "Community" means a geographic service area based on zip
40 code districts defined by the United States Postal Service according to
41 the following groupings:

- 42 (1) The geographic service area served by zip codes with the first

C
O
P
Y



- 1 three (3) digits 463 and 464.
 2 (2) The geographic service area served by zip codes with the first
 3 three (3) digits 465 and 466.
 4 (3) The geographic service area served by zip codes with the first
 5 three (3) digits 467 and 468.
 6 (4) The geographic service area served by zip codes with the first
 7 three (3) digits 469 and 479.
 8 (5) The geographic service area served by zip codes with the first
 9 three (3) digits 460, 461 (except 46107), and 473.
 10 (6) The geographic service area served by the 46107 zip code and
 11 zip codes with the first three (3) digits 462.
 12 (7) The geographic service area served by zip codes with the first
 13 three (3) digits 470, 471, 472, 474, and 478.
 14 (8) The geographic service area served by zip codes with the first
 15 three (3) digits 475, 476, and 477.
 16 (i) "Medical service provider" refers to a person or an entity that
 17 provides medical services, treatment, or supplies to an employee under
 18 IC 22-3-2 through IC 22-3-6.
 19 (j) "Pecuniary liability" means the responsibility of an employer or
 20 the employer's insurance carrier for the payment of the charges for each
 21 specific service or product for human medical treatment provided
 22 under IC 22-3-2 through IC 22-3-6 in a defined community, equal to or
 23 less than the charges made by medical service providers at the eightieth
 24 percentile in the same community for like services or products.
 25 SECTION 2. IC 27-8-5-15 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 15. (a) No policy of
 27 blanket accident and sickness insurance shall be delivered or issued for
 28 delivery in this state unless it conforms to the requirements of this
 29 section.
 30 (1) A policy may be issued to any common carrier or to any
 31 operator, owner or lessee of a means of transportation, who or
 32 which shall be deemed the policyholder, covering a group of
 33 persons who may become passengers defined by reference to their
 34 travel status on such common carrier or such means of
 35 transportation.
 36 (2) A policy may be issued to an employer, who shall be deemed
 37 the policyholder, covering any group of employees, dependents or
 38 guests, defined by reference to specified hazards incident to an
 39 activity or activities or operations of the policyholder.
 40 (3) A policy may be issued to a college, school, or other
 41 institution of learning, a school district or districts, or school
 42 jurisdictional unit, or to the head, principal, or governing board of

C
O
P
Y

- 1 any such educational unit, who or which shall be deemed the
2 policyholder, covering students, teachers, or employees.
- 3 (4) A policy may be issued to any religious, charitable,
4 recreational, educational, or civic organization, or branch thereof,
5 which shall be deemed the policyholder, covering any group of
6 members or participants defined by reference to specified hazards
7 incident to any activity or activities or operations sponsored or
8 supervised by such policyholder.
- 9 (5) A policy may be issued to a sports team, camp, or sponsor
10 thereof, which shall be deemed the policyholder, covering
11 members, campers, employees, officials, or supervisors.
- 12 (6) A policy may be issued to any volunteer fire department, first
13 aid, emergency management, or other such volunteer
14 organization, which shall be deemed the policyholder, covering
15 any group of members or participants defined by reference to
16 specified hazards incident to an activity or activities or operations
17 sponsored or supervised by such policyholder.
- 18 (7) A policy may be issued to a newspaper or other publisher,
19 which shall be deemed the policyholder, covering its carriers.
- 20 (8) A policy may be issued to an association, including a labor
21 union, which shall have a constitution and bylaws and which has
22 been organized and is maintained in good faith for purposes other
23 than that of obtaining insurance, which shall be deemed the
24 policyholder, covering any group of members or participants
25 defined by reference to specified hazards incident to an activity
26 or activities or operations sponsored or supervised by such
27 policyholder.
- 28 (9) A policy may be issued to cover any other risk or class of risks
29 which, in the discretion of the commissioner, may be properly
30 eligible for blanket accident and sickness insurance. The
31 discretion of the commissioner may be exercised on an individual
32 risk basis or class of risks, or both.
- 33 (b) Each such policy shall contain in substance provisions which in
34 the opinion of the commissioner are not less favorable to the
35 policyholder and the individual insured than the following:
- 36 (1) A provision that the policy, including endorsements and a
37 copy of the application, if any, of the policyholder and the persons
38 insured shall constitute the entire contract between the parties,
39 and that any statement made by the policyholder or by a person
40 insured shall in absence of fraud, be deemed a misrepresentation
41 and not a warranty, and that no such statements shall be used in
42 defense to a claim under the policy, unless contained in a written

C
O
P
Y

1 application. Such person, his beneficiary, or assignee, shall have
2 the right to make written request to the insurer for a copy of such
3 application and the insurer shall, within fifteen (15) days after the
4 receipt of such request at its home office or any branch office of
5 the insurer, deliver or mail to the person making such request a
6 copy of such application. If such copy shall not be so delivered or
7 mailed, the insurer shall be precluded from introducing such
8 application as evidence in any action based upon or involving any
9 statements contained therein.

10 (2) A provision that written notice of sickness or of injury must be
11 given to the insurer within twenty (20) days after the date when
12 such sickness or injury occurred. Failure to give notice within
13 such time shall not invalidate nor reduce any claim if it is shown
14 not to have been reasonably possible to give such notice and that
15 notice was given as soon as was reasonably possible.

16 (3) A provision that the insurer will furnish either to the claimant
17 or to the policyholder for delivery to the claimant such forms as
18 are usually furnished by it for filing proof of loss. If such forms
19 are not furnished before the expiration of fifteen (15) days after
20 giving of such notice, the claimant shall be deemed to have
21 complied with the requirements of the policy as to proof of loss
22 upon submitting, within the time fixed in the policy for filing
23 proof of loss, written proof covering the occurrence, the character,
24 and the extent of the loss for which claim is made.

25 (4) A provision that in the case of claim for loss of time for
26 disability, written proof of such loss must be furnished to the
27 insurer within ninety (90) days after the commencement of the
28 period for which the insurer is liable and that subsequent written
29 proofs of the continuance of such disability must be furnished to
30 the insurer at such intervals as the insurer may reasonably require,
31 and that in the case of claim for any other loss, written proof of
32 such loss must be furnished to the insurer within ninety (90) days
33 after the date of such loss. Failure to furnish such proof within
34 such time shall not invalidate nor reduce any claim if it shall be
35 shown not to have been reasonably possible to furnish such proof
36 and that such proof was furnished as soon as was reasonably
37 possible.

38 (5) A provision that all benefits payable under the policy other
39 than benefits for loss of time will be payable immediately upon
40 receipt of due written proof of such loss, and that, subject to due
41 proof of loss, all accrued benefits payable under the policy for
42 loss of time will be paid not less frequently than monthly during

C
O
P
Y

1 the continuance of the period for which the insurer is liable, and
 2 that any balance remaining unpaid at the termination of such
 3 period will be paid immediately upon receipt of such proof.

4 (6) A provision that the insurer at its own expense, shall have the
 5 right and opportunity to examine the person of the injured or sick
 6 individual when and so often as it may reasonably require during
 7 the pendency of claim under the policy and also the right and
 8 opportunity to make an autopsy where it is not prohibited by law.

9 (7) A provision that no action at law or in equity shall be brought
 10 to recover under the policy prior to the expiration of sixty (60)
 11 days after written proof of loss has been furnished in accordance
 12 with the requirements of the policy and that no such action shall
 13 be brought after the expiration of three (3) years after the time
 14 written proof of loss is required to be furnished.

15 The insurer may omit from a policy any portion of any of the above
 16 provisions which is not applicable to that policy. An individual
 17 application need not be required from a person covered under a blanket
 18 accident and sickness policy, nor shall it be necessary for the insurer to
 19 furnish each person a certificate.

20 (c) All benefits under any blanket accident and sickness policy shall
 21 be payable to the person insured, or to the insured's designated
 22 beneficiary or beneficiaries, or to the insured's estate, except that if the
 23 person insured be a minor or otherwise not competent to give a valid
 24 release, such benefits may be made payable to the insured's parent,
 25 guardian, or other person actually supporting the insured. However, the
 26 policy may provide in substance that all or any portion of any benefits
 27 provided by any such policy on account of hospital, nursing, medical,
 28 or surgical services may, at the option of the insurer and unless the
 29 insured requests otherwise in writing not later than the time of filing
 30 proofs of such loss, be paid directly to the hospital or person rendering
 31 such services; but, the policy may not require that the service be
 32 rendered by a particular hospital or person. Payment so made shall
 33 discharge the insurer's obligations with respect to the amount of
 34 insurance so paid.

35 (d) This section applies only to policies delivered or issued for
 36 delivery in Indiana after August 19, 1975.

37 (e) **This subsection applies to policies delivered or issued for**
 38 **delivery in Indiana after June 30, 1999. A policy issued to a school**
 39 **district or school jurisdiction under subsection (a)(3) for coverage**
 40 **of:**

41 (1) **teachers and employees; and**

42 (2) **if coverage has been extended under section 18 of this**

C
O
P
Y



1 **chapter, to their family members and dependents;**
 2 **shall contain a provision that when any worker's compensation**
 3 **coverage for medical expenses for a covered member has been**
 4 **exhausted, the policy shall provide accident and sickness coverage**
 5 **in excess of the limit on worker's compensation coverage until all**
 6 **benefits of the group health and accident plan have been exhausted.**

7 SECTION 3. IC 27-8-5-19 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 19. (a) As used in this
 9 chapter, "late enrollee" has the meaning set forth in 26 U.S.C.
 10 9801(b)(3).

11 (b) A policy of group accident and sickness insurance may not be
 12 issued to a group that has a legal situs in Indiana unless it contains in
 13 substance:

14 (1) the provisions described in subsection (c); or

15 (2) provisions that, in the opinion of the commissioner, are:

16 (A) more favorable to the persons insured; or

17 (B) at least as favorable to the persons insured and more
 18 favorable to the policyholder;

19 than the provisions set forth in subsection (c).

20 (c) The provisions referred to in subsection (b)(1) are as follows:

21 (1) A provision that the policyholder is entitled to a grace period
 22 of thirty-one (31) days for the payment of any premium due
 23 except the first, during which grace period the policy will
 24 continue in force, unless the policyholder has given the insurer
 25 written notice of discontinuance in advance of the date of
 26 discontinuance and in accordance with the terms of the policy.
 27 The policy may provide that the policyholder is liable to the
 28 insurer for the payment of a pro rata premium for the time the
 29 policy was in force during the grace period. A provision under
 30 this subdivision may provide that the insurer is not obligated to
 31 pay claims incurred during the grace period until the premium
 32 due is received.

33 (2) A provision that the validity of the policy may not be
 34 contested, except for nonpayment of premiums, after the policy
 35 has been in force for two (2) years after its date of issue, and that
 36 no statement made by a person covered under the policy relating
 37 to the person's insurability may be used in contesting the validity
 38 of the insurance with respect to which the statement was made,
 39 unless:

40 (A) the insurance has not been in force for a period of two (2)
 41 years or longer during the person's lifetime; or

42 (B) the statement is contained in a written instrument signed

C
O
P
Y



- 1 by the insured person.
- 2 However, a provision under this subdivision may not preclude the
- 3 assertion at any time of defenses based upon a person's
- 4 ineligibility for coverage under the policy or based upon other
- 5 provisions in the policy.
- 6 (3) A provision that a copy of the application, if there is one, of
- 7 the policyholder must be attached to the policy when issued, that
- 8 all statements made by the policyholder or by the persons insured
- 9 are to be deemed representations and not warranties, and that no
- 10 statement made by any person insured may be used in any contest
- 11 unless a copy of the instrument containing the statement is or has
- 12 been furnished to the insured person or, in the event of death or
- 13 incapacity of the insured person, to the insured person's
- 14 beneficiary or personal representative.
- 15 (4) A provision setting forth the conditions, if any, under which
- 16 the insurer reserves the right to require a person eligible for
- 17 insurance to furnish evidence of individual insurability
- 18 satisfactory to the insurer as a condition to part or all of the
- 19 person's coverage.
- 20 (5) A provision specifying any additional exclusions or limitations
- 21 applicable under the policy with respect to a disease or physical
- 22 condition of a person that existed before the effective date of the
- 23 person's coverage under the policy and that is not otherwise
- 24 excluded from the person's coverage by name or specific
- 25 description effective on the date of the person's loss. An exclusion
- 26 or limitation that must be specified in a provision under this
- 27 subdivision:
- 28 (A) may apply only to a disease or physical condition for
- 29 which medical advice, diagnosis, care, or treatment was
- 30 received by the person, or recommended to the person, during
- 31 the six (6) months before the enrollment date of the person's
- 32 coverage; and
- 33 (B) may not apply to a loss incurred or disability beginning
- 34 after the earlier of:
- 35 (i) the end of a continuous period of twelve (12) months
- 36 beginning on or after the enrollment date of the person's
- 37 coverage; or
- 38 (ii) the end of a continuous period of eighteen (18) months
- 39 beginning on the enrollment date of the person's coverage if
- 40 the person is a late enrollee.
- 41 (6) If premiums or benefits under the policy vary according to a
- 42 person's age, a provision specifying an equitable adjustment of:

C
O
P
Y

- 1 (A) premiums;
- 2 (B) benefits; or
- 3 (C) both premiums and benefits;
- 4 to be made if the age of a covered person has been misstated. A
- 5 provision under this subdivision must contain a clear statement of
- 6 the method of adjustment to be used.
- 7 (7) A provision that the insurer will issue to the policyholder, for
- 8 delivery to each person insured, a certificate setting forth a
- 9 statement that:
- 10 (A) explains the insurance protection to which the person
- 11 insured is entitled;
- 12 (B) indicates to whom the insurance benefits are payable; and
- 13 (C) explains any family member's or dependent's coverage
- 14 under the policy.
- 15 (8) A provision stating that written notice of a claim must be
- 16 given to the insurer within twenty (20) days after the occurrence
- 17 or commencement of any loss covered by the policy, **subject to**
- 18 **the exception in subsection 18**, but that a failure to give notice
- 19 within the twenty (20) day period does not invalidate or reduce
- 20 any claim if it can be shown that it was not reasonably possible to
- 21 give notice within that period and that notice was given as soon
- 22 as was reasonably possible.
- 23 (9) A provision stating that:
- 24 (A) the insurer will furnish to the person making a claim, or to
- 25 the policyholder for delivery to the person making a claim,
- 26 forms usually furnished by the insurer for filing proof of loss;
- 27 and
- 28 (B) if the forms are not furnished within fifteen (15) days after
- 29 the insurer received notice of a claim, the person making the
- 30 claim will be deemed to have complied with the requirements
- 31 of the policy as to proof of loss upon submitting, within the
- 32 time fixed in the policy for filing proof of loss, written proof
- 33 covering the occurrence, character, and extent of the loss for
- 34 which the claim is made.
- 35 (10) A provision stating that:
- 36 (A) in the case of a claim for loss of time for disability, written
- 37 proof of the loss must be furnished to the insurer within ninety
- 38 (90) days after the commencement of the period for which the
- 39 insurer is liable, and that subsequent written proofs of the
- 40 continuance of the disability must be furnished to the insurer
- 41 at reasonable intervals as may be required by the insurer;
- 42 (B) in the case of a claim for any other loss, written proof of

COPY



1 the loss must be furnished to the insurer within ninety (90)
 2 days after the date of the loss; and
 3 (C) the failure to furnish proof within the time required under
 4 clause (A) or (B) does not invalidate or reduce any claim if it
 5 was not reasonably possible to furnish proof within that time,
 6 and if proof is furnished as soon as reasonably possible but
 7 (except in case of the absence of legal capacity of the
 8 claimant) no later than one (1) year from the time proof is
 9 otherwise required under the policy.

10 (11) A provision that:
 11 (A) all benefits payable under the policy (other than benefits
 12 for loss of time) will be paid within forty-five (45) days after
 13 the insurer receives all information required to determine
 14 liability under the terms of the policy; and
 15 (B) subject to due proof of loss, all accrued benefits under the
 16 policy for loss of time will be paid not less frequently than
 17 monthly during the continuance of the period for which the
 18 insurer is liable, and any balance remaining unpaid at the
 19 termination of the period for which the insurer is liable will be
 20 paid as soon as possible after receipt of the proof of loss.

21 (12) A provision that benefits for loss of life of the person insured
 22 are payable to the beneficiary designated by the person insured.
 23 However, if the policy contains conditions pertaining to family
 24 status, the beneficiary may be the family member specified by the
 25 policy terms. In either case, payment of benefits for loss of life is
 26 subject to the provisions of the policy if no designated or
 27 specified beneficiary is living at the death of the person insured.
 28 All other benefits of the policy are payable to the person insured.
 29 The policy may also provide that if any benefit is payable to the
 30 estate of a person, or to a person who is a minor or otherwise not
 31 competent to give a valid release, the insurer may pay the benefit,
 32 up to an amount of five thousand dollars (\$5,000), to any relative
 33 by blood or connection by marriage of the person who is deemed
 34 by the insurer to be equitably entitled to the benefit.

35 (13) A provision that the insurer has the right and must be
 36 allowed the opportunity to:
 37 (A) examine the person of the individual for whom a claim is
 38 made under the policy when and as often as the insurer
 39 reasonably requires during the pendency of the claim; and
 40 (B) conduct an autopsy in case of death if it is not prohibited
 41 by law.

42 (14) A provision that no action at law or in equity may be brought

COPY



1 to recover on the policy less than sixty (60) days after proof of
 2 loss is filed in accordance with the requirements of the policy, and
 3 that no action may be brought at all more than three (3) years after
 4 the expiration of the time within which proof of loss is required
 5 by the policy.

6 (15) In the case of a policy insuring debtors, a provision that the
 7 insurer will furnish to the policyholder, for delivery to each debtor
 8 insured under the policy, a certificate of insurance describing the
 9 coverage and specifying that the benefits payable will first be
 10 applied to reduce or extinguish the indebtedness.

11 (16) If the policy provides that hospital or medical expense
 12 coverage of a dependent child of a group member terminates upon
 13 the child's attainment of the limiting age for dependent children
 14 set forth in the policy, a provision that the child's attainment of the
 15 limiting age does not terminate the hospital and medical coverage
 16 of the child while the child is:

17 (A) incapable of self-sustaining employment because of
 18 mental retardation or a physical disability; and

19 (B) chiefly dependent upon the group member for support and
 20 maintenance.

21 A provision under this subdivision may require that proof of the
 22 child's incapacity and dependency be furnished to the insurer by
 23 the group member within one hundred twenty (120) days of the
 24 child's attainment of the limiting age and, subsequently, at
 25 reasonable intervals during the two (2) years following the child's
 26 attainment of the limiting age. The policy may not require proof
 27 more than once per year in the time more than two (2) years after
 28 the child's attainment of the limiting age. This subdivision does
 29 not require an insurer to provide coverage to a mentally retarded
 30 or physically disabled child who does not satisfy the requirements
 31 of the group policy as to evidence of insurability or other
 32 requirements for coverage under the policy to take effect. In any
 33 case, the terms of the policy apply with regard to the coverage or
 34 exclusion from coverage of the child.

35 (17) A provision that complies with the group portability and
 36 guaranteed renewability provisions of the federal Health
 37 Insurance Portability and Accountability Act of 1996
 38 (P.L.104-191).

39 **(18) A provision that, if the covered member is subject to**
 40 **IC 27-8-5-15 (e), written notice of a claim or a potential claim**
 41 **must be given to the insurer within twenty (20) days after:**

42 **(A) notification from the worker's compensation insurance**

C
O
P
Y



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

carrier that the benefits have been exhausted;
(B) entry of judgment against some person other than the
employer and not in the same employ a legal liability to
pay damages, as set forth in IC 22-3-2-13; or
(C) settlement with another party either with or without
suit, as set forth in IC 22-3-2-13.

(19) If the policy is to provide group coverage to the
employees of a school corporation (as defined in
IC 21-6.1-1-7), a provision that the group health plan must
cover secondary casual employment, as described in
IC 22-3-6-1.

(d) Subsection (c)(5), (c)(7), and (c)(12) do not apply to policies insuring the lives of debtors. The standard provisions required under section 3(a) of this chapter for individual accident and sickness insurance policies do not apply to group accident and sickness insurance policies.

(e) If any policy provision required under subsection (c) is in whole or in part inapplicable to or inconsistent with the coverage provided by an insurer under a particular form of policy, the insurer, with the approval of the commissioner, shall delete the provision from the policy or modify the provision in such a manner as to make it consistent with the coverage provided by the policy.

C
O
P
Y

