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# SENATE BILL No. 363

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 27-7-2.

**Synopsis:** Worker's compensation assigned risk plan and rating bureau. Requires the commissioner of the Indiana department of insurance to annually examine the worker's compensation rating bureau of Indiana and the assigned risk plan. Requires the bureau and the assigned risk plan to file financial statements annually with the commissioner. Prohibits requiring domestic worker's compensation insurers from paying for losses caused by nonresidents of Indiana. Prohibits requiring a rejected risk from participating in an assigned risk plan or arrangement comprised of insureds that are not Indiana residents. Requires the bureau to deposit funds in financial institutions pending payment to a company carrying a rejected risk.

**Effective:** July 1, 2000.

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January 10, 2000, read first time and referred to Committee on Insurance and Financial Institutions.

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Introduced

Second Regular Session 111th General Assembly (2000)

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 1999 General Assembly.

## SENATE BILL No. 363

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 27-7-2-28.2 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 28.2. (a) The  
3 commissioner may examine any company **that the commissioner**  
4 **considers necessary to determine compliance with this chapter. The**  
5 **commissioner shall annually examine** the bureau ~~or~~ and the assigned  
6 risk plan as ~~the commissioner considers necessary~~ to ascertain  
7 compliance with this chapter. **The bureau and the assigned risk plan**  
8 **shall file with the commissioner, not later than December 31 of**  
9 **each year, a certified financial statement reflecting receipts and**  
10 **expenditures for the period ending on June 30 immediately**  
11 **preceding the filing date.**

12 (b) Every company, the bureau, and the assigned risk plan shall  
13 maintain reasonable records of the type and kind reasonably adapted to  
14 its method of operation containing its experiences or the experience of  
15 its staff members including the data, statistics, or information collected  
16 or used by it in its activities. These records shall be available at all  
17 reasonable times to enable the commissioner to determine whether the

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1 activities of the bureau, company, and the assigned risk plan comply  
 2 with this chapter. Such records shall be maintained in an office within  
 3 Indiana or shall be made available to the commissioner for examination  
 4 or inspection at any time upon reasonable notice.

5 (c) The reasonable cost of an examination made under this section  
 6 shall be paid by the examined party upon presentation of a detailed  
 7 account of such costs.

8 (d) Instead of an examination the commissioner may accept the  
 9 report of an examination by the insurance supervisory official of  
 10 another state, made under the laws of that state.

11 SECTION 2. IC 27-7-2-29 IS AMENDED TO READ AS  
 12 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 29. (a) When any such  
 13 rejected risk is called to the attention of the worker's compensation  
 14 board and it appearing to the board that said risk is in good faith  
 15 entitled to coverage, said bureau upon the order of the board shall fix  
 16 the initial premium for the coverage.

17 (b) Upon payment, of the premium fixed under subsection (a), the  
 18 bureau shall designate a member of said bureau whose duty it shall be  
 19 to issue a policy containing the usual and customary provisions found  
 20 in such policies therefor. However, for this undertaking all members of  
 21 said bureau shall be reinsurers as among themselves in the amount  
 22 which the compensation insurance written in this state during the  
 23 preceding calendar year by such member bears to the total  
 24 compensation insurance written in this state during the preceding year  
 25 by all members of said bureau.

26 **(c) Members of the bureau that are domestic companies may not**  
 27 **be assessed, charged, or required to pay any fee, expense, or**  
 28 **apportionment based upon a loss in another state or jurisdiction,**  
 29 **unless the loss was caused by activities of an insured that is a**  
 30 **resident of Indiana.**

31 **(d) A rejected risk that is a resident of Indiana may not be**  
 32 **required to participate in an assigned risk plan or sharing**  
 33 **arrangement that includes insureds that are not residents of**  
 34 **Indiana unless the commissioner approves the requirement.**

35 SECTION 3. IC 27-7-2-32 IS AMENDED TO READ AS  
 36 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 32. (a) In designating  
 37 the bureau member to insure a rejected risk, the bureau shall have due  
 38 regard for the service facilities and compensation premium volume in  
 39 Indiana of the member so designated as the carrying company. Any  
 40 grievance on the part of such bureau member with the respect of such  
 41 designation shall be brought to the attention of the bureau for review  
 42 and such action as the circumstances may justify.



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1           **(b) The bureau shall deposit funds that the bureau receives from**  
2           **a rejected risk in a financial institution (as defined in IC 5-13-4-10)**  
3           **pending distribution of the funds to the carrying company.**

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