

# SENATE BILL No. 302

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 27-1.

**Synopsis:** Flood insurance. Provides that a policyholder claim for flood damage coverage under a policy of property and casualty insurance must be filed within two years after the flood. Requires an insurance producer to notify a customer of, and have the customer accept or decline, each kind of coverage that may be provided under a proposed property and casualty insurance policy. Requires an insurance producer that sells, solicits, or negotiates flood insurance coverage to complete continuing education hours concerning flood insurance as a condition of license renewal.

**Effective:** July 1, 2007.

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**Mrvan**

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January 11, 2007, read first time and referred to Committee on Insurance and Financial Institutions.

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First Regular Session 115th General Assembly (2007)

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 2006 Regular Session of the General Assembly.

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## SENATE BILL No. 302



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 27-1-13-16 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2007]: **Sec. 16. (a) As used in this section, "property and casualty  
4 insurance" means one (1) or more of the kinds of insurance  
5 described in Class 2 or Class 3 of IC 27-1-5-1.**

6 **(b) A policyholder claim for coverage of flood damage under a  
7 policy of property and casualty insurance must be filed within two  
8 (2) years after the occurrence of the flood from which the claim  
9 arises.**

10 SECTION 2. IC 27-1-15.6-35 IS ADDED TO THE INDIANA  
11 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
12 [EFFECTIVE JULY 1, 2007]: **Sec. 35. An insurance producer shall:**

- 13 **(1) provide oral and written notice in the form of a list to a  
14 customer of each kind of coverage that may be provided  
15 under a policy of property and casualty insurance; and  
16 (2) have the customer initial each kind of coverage specified  
17 on the list to clearly indicate whether the customer accepts or**



1                   **declines each kind of coverage;**  
 2                   **before the customer purchases coverage under the policy.**  
 3                   SECTION 3. IC 27-1-15.7-2, AS AMENDED BY P.L.73-2006,  
 4                   SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 5                   JULY 1, 2007]: Sec. 2. (a) Except as provided in subsection (b), to  
 6                   renew a license issued under IC 27-1-15.6:  
 7                   (1) a resident insurance producer must complete at least forty (40)  
 8                   hours of credit in continuing education courses; and  
 9                   (2) a resident limited lines producer must complete at least ten  
 10                  (10) hours of credit in continuing education courses.  
 11                  An attorney in good standing who is admitted to the practice of law in  
 12                  Indiana and holds a license issued under IC 27-1-15.6 may complete all  
 13                  or any number of hours of continuing education required by this  
 14                  subsection by completing an equivalent number of hours in continuing  
 15                  legal education courses that are related to the business of insurance.  
 16                  (b) To renew a license issued under IC 27-1-15.6, a limited lines  
 17                  producer with a title qualification under IC 27-1-15.6-7(a)(8) must  
 18                  complete at least fourteen (14) hours of credit in continuing education  
 19                  courses related to the business of title insurance with at least one (1)  
 20                  hour of instruction in a structured setting or comparable self-study in  
 21                  each of the following:  
 22                  (1) Ethical practices in the marketing and selling of title  
 23                  insurance.  
 24                  (2) Title insurance underwriting.  
 25                  (3) Escrow issues.  
 26                  (4) Principles of the federal Real Estate Settlement Procedures  
 27                  Act (12 U.S.C. 2608).  
 28                  An attorney in good standing who is admitted to the practice of law in  
 29                  Indiana and holds a license issued under IC 27-1-15.6 with a title  
 30                  qualification under IC 27-1-15.6-7(a)(8) may complete all or any  
 31                  number of hours of continuing education required by this subsection by  
 32                  completing an equivalent number of hours in continuing legal  
 33                  education courses related to the business of title insurance or any  
 34                  aspect of real property law.  
 35                  (c) The following insurance producers are not required to complete  
 36                  continuing education courses to renew a license under this chapter:  
 37                  (1) A limited lines producer who is licensed without examination  
 38                  under IC 27-1-15.6-18(1) or IC 27-1-15.6-18(2).  
 39                  (2) A limited line credit insurance producer.  
 40                  (3) An insurance producer who is at least seventy (70) years of  
 41                  age and has been a licensed insurance producer continuously for  
 42                  at least twenty (20) years immediately preceding the license

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1 renewal date.

2 (d) To satisfy the requirements of subsection (a) or (b), a licensee

3 may use only those credit hours earned in continuing education courses

4 completed by the licensee:

5 (1) after the effective date of the licensee's last renewal of a

6 license under this chapter; or

7 (2) if the licensee is renewing a license for the first time, after the

8 date on which the licensee was issued the license under this

9 chapter.

10 **(e) To satisfy the requirements of subsection (a) for license**

11 **renewal, an insurance producer that sells, solicits, or negotiates**

12 **flood insurance coverage must complete at least four (4) hours of**

13 **credit concerning flood insurance as part of the hours of credit**

14 **required under subsection (a).**

15 ~~(f)~~ (f) If an insurance producer receives qualification for a license

16 in more than one (1) line of authority under IC 27-1-15.6, the insurance

17 producer may not be required to complete a total of more than forty

18 (40) hours of credit in continuing education courses to renew the

19 license.

20 ~~(g)~~ (g) Except as provided in subsection ~~(g)~~; (h), a licensee may

21 receive credit only for completing continuing education courses that

22 have been approved by the commissioner under section 4 of this

23 chapter.

24 ~~(g)~~ (h) A licensee who teaches a course approved by the

25 commissioner under section 4 of this chapter shall receive continuing

26 education credit for teaching the course.

27 ~~(h)~~ (i) When a licensee renews a license issued under this chapter,

28 the licensee must submit:

29 (1) a continuing education statement that:

30 (A) is in a format authorized by the commissioner;

31 (B) is signed by the licensee under oath; and

32 (C) lists the continuing education courses completed by the

33 licensee to satisfy the continuing education requirements of

34 this section; and

35 (2) any other information required by the commissioner.

36 ~~(i)~~ (j) A continuing education statement submitted under subsection

37 ~~(h)~~ (i) may be reviewed and audited by the department.

38 ~~(j)~~ (k) A licensee shall retain a copy of the original certificate of

39 completion received by the licensee for completion of a continuing

40 education course.

41 ~~(k)~~ (l) A licensee who completes a continuing education course that:

42 (1) is approved by the commissioner under section 4 of this

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1 chapter;  
2 (2) is held in a classroom setting; and  
3 (3) concerns ethics;  
4 shall receive continuing education credit for the number of hours for  
5 which the course is approved plus additional hours, not to exceed two  
6 (2) hours in a renewal period, equal to the number of hours for which  
7 the course is approved.

8 SECTION 4. [EFFECTIVE JULY 1, 2007] **IC 27-1-13-16, as**  
9 **added by this act, applies to a claim that arises after June 30, 2007.**

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