

Adopted	Rejected
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## COMMITTEE REPORT

YES:	12
NO:	0

### MR. SPEAKER:

*Your Committee on Insurance, to which was referred House Bill 1240, 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:*

1           Page 2, delete lines 15 through 42, begin a new paragraph and  
2           insert:  
3           "SECTION 2. IC 16-42-22-8, AS AMENDED BY P.L.204-2005,  
4           SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5           JULY 1, 2010]: Sec. 8. (a) ~~For~~ **This section applies to** substitution ~~to~~  
6           ~~occur~~ for a prescription other than a prescription filled under the  
7           Medicaid program (42 U.S.C. 1396 et seq.), the children's health  
8           insurance program established under IC 12-17.6-2, or the Medicare  
9           program (42 U.S.C. 1395 et seq.).  
10          **(b) Except as provided in subsection (c), for substitution for a**  
11          **prescription to occur:**  
12               (1) the practitioner must:  
13                   (A) sign on the line under which the words "May substitute."  
14                   appear; or  
15                   (B) for an electronically transmitted prescription,  
16                   electronically transmit the instruction "May substitute."; and

1 (2) the pharmacist must inform the customer of the substitution.

2 **(c) This subsection does not apply to substitution requested by**  
 3 **the customer. For substitution for a prescription to occur at the**  
 4 **time the prescription is refilled with a generically equivalent drug**  
 5 **product that has not been previously used by the customer:**

6 **(1) the pharmacist must, at the time the prescription is**  
 7 **refilled, request written approval from the practitioner to**  
 8 **substitute the generically equivalent drug product; and**

9 **(2) the practitioner must, at the time the prescription is**  
 10 **refilled:**

11 **(A) forward to the pharmacist a written or electronically**  
 12 **transmitted prescription with the "May substitute."**  
 13 **instruction indicated as described in subsection (b)(1); and**

14 **(B) verbally inform the customer of the substitution.**

15 ~~(b)~~ **(d) This section does not authorize any substitution other than**  
 16 **substitution of a generically equivalent drug product.**

17 SECTION 3. IC 25-26-13-33 IS ADDED TO THE INDIANA  
 18 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 19 [EFFECTIVE JULY 1, 2010]: **Sec. 33. (a) Beginning January 1,**  
 20 **2011, on the request of a customer who is blind (as defined in**  
 21 **IC 12-7-2-21(2)) or visually impaired (as defined in**  
 22 **IC 12-7-2-198(a)), a pharmacist shall dispense a prescription for a**  
 23 **legend drug:**

24 **(1) with a label that complies with the requirements of**  
 25 **IC 16-42-19-11(a)(1); and**

26 **(2) in a manner such that the label information is accessible to**  
 27 **the customer through use of:**

28 **(A) a braille label that is affixed to the immediate container**  
 29 **in which the drug is delivered;**

30 **(B) a recorded audio device that is permanently attached**  
 31 **to the immediate container in which the drug is delivered;**  
 32 **or**

33 **(C) other audio technology that uses a characteristic that**  
 34 **is part of the immediate container in which the drug is**  
 35 **delivered to make the label information accessible to the**  
 36 **customer.**

37 **(b) If, at the time of the customer's request, a pharmacy does**  
 38 **not possess equipment or technology necessary to comply with**

- 1       **subsection (a), the pharmacist shall:**  
 2               **(1) obtain the necessary equipment or technology to comply**  
 3               **with subsection (a) within a reasonable period; or**  
 4               **(2) refer the customer to another pharmacy that the**  
 5               **pharmacist has confirmed is:**  
 6                       **(A) able to comply with subsection (a); and**  
 7                       **(B) a member of an applicable provider network for**  
 8                       **purposes of insurance coverage of the prescription.**

9       SECTION 4. IC 25-26-18-2 IS AMENDED TO READ AS  
 10       FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 2. A mail order or  
 11       Internet based pharmacy shall comply with the following:

- 12               (1) The licensure laws of the state in which the mail order or  
 13               Internet based pharmacy is domiciled.  
 14               (2) The drug substitution laws of Indiana.  
 15               **(3) IC 25-26-13-33."**

16       Page 3, delete line 1.

17       Page 6, line 41, delete ""SOX"" and insert ""**Sarbanes-Oxley**"".

18       Page 10, line 30, delete "or".

19       Page 10, line 31, delete "SOX" and insert "**Sarbanes-Oxley**".

20       Page 10, line 32, delete "SOX" and insert "**Sarbanes-Oxley**".

21       Page 18, line 41, delete "SOX" and insert "**Sarbanes-Oxley**".

22       Page 18, line 42, delete "SOX" and insert "**Sarbanes-Oxley**".

23       Page 21, line 5, reset in roman "shall".

24       Page 21, line 5, delete "may".

25       Page 23, line 17, reset in roman "the".

26       Page 24, line 35, delete "an RBC level (as defined in  
 27       IC 27-1-36-18)" and insert "**a risk based capital level event described**  
 28       **in IC 27-1-36."**

29       Page 24, delete line 36.

30       Page 25, line 1, delete "SOX" and insert "**Sarbanes-Oxley**".

31       Page 25, line 6, delete "SOX" and insert "**Sarbanes-Oxley**".

32       Delete pages 37 through 40, begin a new paragraph and insert:

33       "SECTION 41. IC 27-1-15.7-2, AS AMENDED BY P.L.173-2007,  
 34       SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 35       JULY 1, 2010]: Sec. 2. (a) Except as provided in subsection (b), to  
 36       renew a license issued under IC 27-1-15.6,

37               (†) a resident insurance producer must complete at least ~~twenty~~

38               ~~(20)~~ **twenty-four (24)** hours of credit in continuing education

1           courses. ~~and~~  
 2           ~~(2) a resident limited lines producer must complete at least five~~  
 3           ~~(5) hours of credit in continuing education courses.~~

4           An attorney in good standing who is admitted to the practice of law in  
 5           Indiana and holds a license issued under IC 27-1-15.6 may complete all  
 6           or any number of hours of continuing education required by this  
 7           subsection by completing an equivalent number of hours in continuing  
 8           legal education courses that are related to the business of insurance.

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

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

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

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

- 30           (1) A limited lines producer who is licensed without examination
- 31           under IC 27-1-15.6-18(1) or IC 27-1-15.6-18(2).
- 32           (2) A limited line credit insurance producer.
- 33           (3) An insurance producer who, **before July 1, 2011:**
- 34            (A) is at least seventy (70) years of age; and
- 35            (B) has been a licensed insurance producer continuously for at
- 36            least twenty (20) years immediately preceding the license
- 37            renewal date.

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

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

1 which the course is approved plus additional hours, not to exceed two  
 2 (2) hours in a renewal period, equal to the number of hours for which  
 3 the course is approved.

4 SECTION 42. IC 27-1-15.7-5 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 5. (a) To qualify as a  
 6 certified prelicensing course of study for purposes of IC 27-1-15.6-6,  
 7 an insurance producer program of study must meet all of the following  
 8 criteria:

9 (1) Be conducted or developed by an:

10 (A) insurance trade association;

11 (B) accredited college or university;

12 (C) educational organization certified by the insurance  
 13 producer education and continuing education advisory council;  
 14 or

15 (D) insurance company licensed to do business in Indiana.

16 (2) Provide for self-study or instruction provided by an approved  
 17 instructor in a structured setting, as follows:

18 (A) For life insurance producers, not less than ~~twenty-four (24)~~  
 19 **twenty (20)** hours of instruction in a structured setting or  
 20 comparable self-study on:

21 (i) ethical practices in the marketing and selling of  
 22 insurance;

23 (ii) requirements of the insurance laws and administrative  
 24 rules of Indiana; and

25 (iii) principles of life insurance.

26 (B) For health insurance producers, not less than ~~twenty-four~~  
 27 **(24) twenty (20)** hours of instruction in a structured setting or  
 28 comparable self-study on:

29 (i) ethical practices in the marketing and selling of  
 30 insurance;

31 (ii) requirements of the insurance laws and administrative  
 32 rules of Indiana; and

33 (iii) principles of health insurance.

34 (C) For life and health insurance producers, not less than forty  
 35 (40) hours of instruction in a structured setting or comparable  
 36 self-study on:

37 (i) ethical practices in the marketing and selling of  
 38 insurance;

- 1 (ii) requirements of the insurance laws and administrative  
 2 rules of Indiana;
- 3 (iii) principles of life insurance; and
- 4 (iv) principles of health insurance.
- 5 (D) For property and casualty insurance producers, not less  
 6 than forty (40) hours of instruction in a structured setting or  
 7 comparable self-study on:
- 8 (i) ethical practices in the marketing and selling of  
 9 insurance;
- 10 (ii) requirements of the insurance laws and administrative  
 11 rules of Indiana;
- 12 (iii) principles of property insurance; and
- 13 (iv) principles of liability insurance.
- 14 (E) For personal lines producers, a minimum of ~~twenty-four~~  
 15 **(24) twenty (20)** hours of instruction in a structured setting or  
 16 comparable self-study on:
- 17 (i) ethical practices in the marketing and selling of  
 18 insurance;
- 19 (ii) requirements of the insurance laws and administrative  
 20 rules of Indiana; and
- 21 (iii) principles of property and liability insurance applicable  
 22 to coverages sold to individuals and families for primarily  
 23 noncommercial purposes.
- 24 (F) For title insurance producers, not less than ten (10) hours  
 25 of instruction in a structured setting or comparable self-study  
 26 on:
- 27 (i) ethical practices in the marketing and selling of title  
 28 insurance;
- 29 (ii) requirements of the insurance laws and administrative  
 30 rules of Indiana;
- 31 (iii) principles of title insurance, including underwriting and  
 32 escrow issues; and
- 33 (iv) principles of the federal Real Estate Settlement  
 34 Procedures Act (12 U.S.C. 2608).
- 35 (3) Instruction provided in a structured setting must be provided  
 36 only by individuals who meet the qualifications established by the  
 37 commissioner under subsection (b).
- 38 (b) The commissioner, after consulting with the insurance producer

1 education and continuing education advisory council, shall adopt rules  
2 under IC 4-22-2 prescribing the criteria that a person must meet to  
3 render instruction in a certified prelicensing course of study.

4 (c) The commissioner shall adopt rules under IC 4-22-2 prescribing  
5 the subject matter that an insurance producer program of study must  
6 cover to qualify for certification as a certified prelicensing course of  
7 study under this section.

8 (d) The commissioner may make recommendations that the  
9 commissioner considers necessary for improvements in course  
10 materials.

11 (e) The commissioner shall designate a program of study that meets  
12 the requirements of this section as a certified prelicensing course of  
13 study for purposes of IC 27-1-15.6-6.

14 (f) The commissioner may, after notice and opportunity for a  
15 hearing, withdraw the certification of a course of study that does not  
16 maintain reasonable standards, as determined by the commissioner for  
17 the protection of the public.

18 (g) Current course materials for a prelicensing course of study that  
19 is certified under this section must be submitted to the commissioner  
20 upon request, but not less frequently than once every three (3) years."

21 Page 41, delete lines 1 through 34.

22 Page 45, delete lines 14 through 42.

23 Delete page 46.

24 Page 47, delete lines 1 through 17.

25 Page 50, delete lines 30 through 42.

26 Delete pages 51 through 52.

27 Page 53, delete lines 1 through 37.

28 Page 59, between lines 19 and 20, begin a new paragraph and insert:

29 "SECTION 49. IC 27-2-15-4.2 IS ADDED TO THE INDIANA  
30 CODE AS A NEW SECTION TO READ AS FOLLOWS  
31 [EFFECTIVE JULY 1, 2010]: **Sec. 4.2. As used in this chapter,**  
32 **"municipality" has the meaning set forth in IC 36-1-2-11.**

33 SECTION 50. IC 27-2-15-4.5 IS AMENDED TO READ AS  
34 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 4.5. ~~(a) As used in this~~  
35 ~~section, "city" refers to a city having a population of more than~~  
36 ~~thirty-five thousand (35,000) that is located in a county having a~~  
37 ~~population of more than four hundred thousand (400,000) but less than~~  
38 ~~seven hundred thousand (700,000).~~

- 1           ~~(b)~~ (a) An insurer that:
- 2               (1) issued an insurance policy:
- 3                   (A) covering a building or other structure that is:
- 4                       ~~(1)~~ (i) located in a ~~city~~; **municipality**; and
- 5                       ~~(2)~~ (ii) damaged by a fire or explosion; **and**
- 6                   **(B) that is in effect at the time of the fire or explosion; and**
- 7               (2) receives a request for notice about the existence of the
- 8               **insurance policy:**
- 9                   (A) from the enforcement authority of the municipality
- 10                   **and**
- 11                   (B) within twenty (20) days after the damage occurs;
- 12 shall, **within ten (10) days after notice is received under subdivision**
- 13 **(2)**, notify the enforcement authority of the ~~city~~ **municipality** about the
- 14 existence of the policy. ~~However, an insurer is not required to notify~~
- 15 ~~the enforcement authority under this section if the policy issued by the~~
- 16 ~~insurer is not in effect at the time of the fire or explosion that damages~~
- 17 ~~the building or structure.~~
- 18           ~~(c)~~ The insurer shall provide the notice required under this section
- 19 ~~if the enforcement authority makes a request for the notice within~~
- 20 ~~twenty (20) days after the damage occurs.~~
- 21           ~~(d)~~ (b) The notice required by this section must:
- 22               (1) be in writing;
- 23               (2) identify the insurer and state the insurer's address;
- 24               (3) identify the building or structure and state the location of the
- 25               building or structure; and
- 26               (4) disclose the nature and extent of the coverage of the building
- 27               or structure provided by the policy.
- 28           ~~(e)~~ An insurer shall provide notice to the enforcement authority
- 29 ~~under this section within ten (10) days after the insurer is notified~~
- 30 ~~under subsection (c) of the damaging of the building or structure by fire~~
- 31 ~~or explosion.~~
- 32           ~~(f)~~ (c) The commissioner may take action under IC 27-1-3-10 and
- 33 IC 27-1-3-19 against an insurer that violates this section.
- 34           SECTION 51. IC 27-2-15-5 IS AMENDED TO READ AS
- 35 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 5. (a) If:
- 36               (1) a fire or explosion damages a building or other structure
- 37               located in a ~~city~~; **municipality**; and
- 38               (2) the enforcement authority of the ~~city~~ **municipality** certifies to

1           an insurer that issued a policy covering the building or structure  
 2           the amount of demolition or rehabilitation expenses that the ~~city~~  
 3           **municipality** anticipates incurring or has incurred under  
 4           IC 36-7-9 in connection with the building or structure;  
 5           the insurer shall remit to the ~~city~~ **municipality** or the enforcement  
 6           authority the amount determined under subsection (c).

7           (b) To require the remittance of money under this section, an  
 8           enforcement authority must:

9           (1) provide the certification under subsection (a) within thirty (30)  
 10           days after the fire or explosion that damages the building or  
 11           structure; and

12           (2) comply with subsection (c).

13           However, it is not necessary for the enforcement authority to provide  
 14           the certification within thirty (30) days after the fire or explosion if the  
 15           insurer fails to provide notice to the enforcement authority under  
 16           section 4.5 of this chapter within ten (10) days after the fire or  
 17           explosion.

18           (c) The amount that must be remitted to the ~~city~~ **municipality** or the  
 19           enforcement agency under subsection (a) is the lesser of:

20           (1) fifteen percent (15%) of the available insurance proceeds, if  
 21           any; or

22           (2) an amount equal to the amount certified.

23           (d) The amount remitted under this section shall be placed in an  
 24           interest bearing escrow account to be administered by the enforcement  
 25           authority and the ~~city~~ **municipality**. The insured shall be notified by  
 26           the enforcement authority of the actions taken under this section.

27           SECTION 52. IC 27-2-15-6 IS AMENDED TO READ AS  
 28           FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 6. Upon a judgment  
 29           being rendered under IC 36-7-9-13(c) or IC 36-7-9-13(d), the ~~city~~  
 30           **municipality** is entitled to the available insurance proceeds set aside  
 31           to the extent of the costs set forth in IC 36-7-9-12. All claims by the  
 32           **city municipality** against the available insurance proceeds must be  
 33           made within one (1) year after the date of the fire or explosion or  
 34           within one (1) year after the final outcome of a case or appeal initiated  
 35           under IC 36-7-9, whichever is later. Proceeds in the escrow account  
 36           that are not claimed in this manner shall be paid to the insured.

37           SECTION 53. IC 27-2-15-9 IS AMENDED TO READ AS  
 38           FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 9. The state fire

1 marshal, a deputy fire marshal, an enforcement authority, or an officer  
 2 of a **city municipality** complying with this chapter or attempting in  
 3 good faith to comply with this chapter is immune from civil and  
 4 criminal liability in connection with actions taken under this chapter.".

5 Page 60, line 38, delete "calendar year," and insert "**six (6)**  
 6 **months**,".

7 Page 63, between lines 13 and 14, begin a new paragraph and insert:  
 8 "SECTION 57. IC 27-7-12-3 IS AMENDED TO READ AS  
 9 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 3. (a) Notice of  
 10 cancellation of property insurance coverage by an insurer must:

11 (1) be in writing;

12 (2) be delivered or mailed to the named insured at the last known  
 13 address of the named insured;

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

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

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

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

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

22 (A) the cancellation occurs more than sixty (60) days after the  
 23 date of issuance of the policy; **or**

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

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

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

35 Page 65, delete lines 20 through 42.

36 Delete pages 66 through 69.

37 Page 70, delete lines 1 through 10, begin a new paragraph and  
 38 insert:

1 "SECTION 60. IC 27-8-9-7, AS AMENDED BY P.L.74-2009,  
 2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2010]: Sec. 7. (a) This section does not apply to cases covered  
 4 by section 10 or 11 of this chapter.

5 (b) In any case arising from a permittee's use of a motor vehicle for  
 6 which the owner of the vehicle has motor vehicle insurance coverage,  
 7 the owner's motor vehicle insurance coverage is considered primary if  
 8 both of the following apply:

9 (1) The vehicle, at the time damage occurred, was operated with  
 10 the permission of the owner of the motor vehicle.

11 (2) The use was within the scope of the permission granted.

12 (c) The permittee may not recover under any other motor vehicle  
 13 insurance coverage available to the permittee until the limit of all  
 14 coverage provided by the owner's policy is first exhausted.

15 (d) In a case arising from an owner's use of a motor vehicle for  
 16 which the owner of the vehicle has motor vehicle insurance coverage,  
 17 the owner's motor vehicle insurance policy is considered primary for  
 18 any claim made by a passenger in the motor vehicle.

19 (e) A passenger in a motor vehicle at the time a case described in  
 20 subsection (b) or (d) arises may not recover under any other motor  
 21 vehicle insurance coverage available to the passenger until the limit of  
 22 all coverage ~~provided by~~ **available to the passenger under** the owner's  
 23 **motor vehicle insurance** policy is first exhausted."

24 Page 73, line 9, after "organization" insert "**that is admitted to**  
 25 **transact business in Indiana**".

26 Page 73, line 10, delete "Maintain a physical office in Indiana." and  
 27 insert "**If the health maintenance organization is a domestic health**  
 28 **maintenance organization admitted to transact business in Indiana**  
 29 **after June 30, 2010, comply with IC 27-1-6-21.**".

30 Page 73, line 12, delete "location of the" and insert "**physical**  
 31 **location of its home**".

32 Page 73, line 12, delete "maintained under subdivision (1)," and  
 33 insert ",".

34 Page 73, line 18, delete "the following:" and insert "**IC 27-1-7-11.**".

35 Page 73, delete lines 19 through 20.

36 Page 74, between lines 3 and 4, begin a new paragraph and insert:

37 "SECTION 67. IC 27-16-2-16 IS ADDED TO THE INDIANA  
 38 CODE AS A **NEW** SECTION TO READ AS FOLLOWS

1 [EFFECTIVE JULY 1, 2010]: **Sec. 16. "Working capital" means the**  
 2 **difference between a person's:**

3 **(1) current assets; and**

4 **(2) current liabilities;**

5 **determined in accordance with generally accepted accounting**  
 6 **principles.**

7 SECTION 68. IC 27-16-4-2, AS ADDED BY P.L.245-2005,  
 8 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 9 JANUARY 1, 2012]: Sec. 2. **(a) This section does not apply to an**  
 10 **applicant for limited registration under section 6 of this chapter.**

11 **(b)** An applicant for registration under this article shall file with the  
 12 department the following information:

13 (1) The name or names under which the applicant conducts  
 14 business.

15 (2) The address of the principal place of business of the applicant  
 16 and the address of each office the applicant maintains in Indiana.

17 (3) The applicant's taxpayer or employer identification number.

18 (4) A list by jurisdiction of each name under which the applicant  
 19 has operated in the preceding five (5) years, including any  
 20 alternative names, names of predecessors, and, if known,  
 21 successor business entities.

22 (5) A statement of ownership that includes the name and evidence  
 23 of the business experience of any person that, individually or  
 24 acting in concert with one (1) or more other persons, owns or  
 25 controls, directly or indirectly, twenty-five percent (25%) or more  
 26 of the equity interests of the applicant.

27 (6) A statement of management that includes the name and  
 28 evidence of the business experience of any individual who serves  
 29 as president, chief executive officer, or otherwise has the  
 30 authority to act as senior executive officer of the applicant.

31 **(7) Except as provided in subsections (c) and (d), a financial**  
 32 **statement:**

33 (A) setting forth the financial condition of the applicant as of  
 34 a date not earlier than one hundred eighty (180) days before  
 35 the date the financial statement is submitted to the department;

36 (B) prepared in accordance with generally accepted  
 37 accounting principles; and

38 (C) ~~reviewed~~ **audited** by an:

1 (i) independent certified public accountant licensed to  
 2 practice in the jurisdiction in which the accountant is  
 3 located; or

4 (ii) individual who is certified under IC 25-2.1-3 or  
 5 IC 25-2.1-4;

6 with a resulting audit report that is issued without  
 7 qualification as to the status of the applicant as a going  
 8 concern.

9 (c) If a PEO has less than twelve (12) months of operating  
 10 history on which to base an audited financial statement, the PEO  
 11 shall file a financial statement that has been reviewed by an:

12 (1) independent certified public accountant licensed to  
 13 practice in the jurisdiction in which the accountant is located;  
 14 or

15 (2) individual who is certified under IC 25-2.1-3 or  
 16 IC 25-2.1-4.

17 (d) An applicant may apply to the department for an extension  
 18 of time in which to file the audited financial statement and audit  
 19 report required by subsection (b). An application under this  
 20 subsection must be accompanied by a letter from the auditor  
 21 described in subsection (b) specifying the reason for the requested  
 22 extension and the anticipated date by which the audit will be  
 23 completed.

24 SECTION 69. IC 27-16-4-6, AS ADDED BY P.L.245-2005,  
 25 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 26 JULY 1, 2010]: Sec. 6. (a) A PEO that is not domiciled in Indiana is  
 27 eligible for a limited registration under this article if the PEO:

28 (1) submits a properly executed request for limited registration on  
 29 a form prescribed by the department;

30 (2) is licensed or registered as a professional employer  
 31 organization in another state that has licensure or registration  
 32 requirements that are:

33 (A) substantially the same as; or

34 (B) more restrictive than;

35 the requirements of this article;

36 (3) does not:

37 (A) maintain an office; or

38 (B) directly solicit clients located or domiciled;

1 in Indiana; and  
2 (4) does not have more than fifty (50) covered employees who are  
3 employed or domiciled in Indiana on any day.

4 (b) A limited registration is valid for one (1) year and may be  
5 renewed.

6 (c) A PEO that seeks limited registration under this section shall  
7 provide to the department information and documentation necessary to  
8 show that the PEO ~~qualifies for a limited registration:~~ **meets the**  
9 **requirements of this section.**

10 (d) ~~IC 27-16-6-1(a)(1)~~ **IC 27-16-6** does not apply to a PEO that  
11 applies for limited registration under this section.

12 SECTION 70. IC 27-16-4-8, AS ADDED BY P.L.245-2005,  
13 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
14 JULY 1, 2010]: Sec. 8. The department shall:

- 15 (1) maintain; **and**
  - 16 (2) **publish on the department's Internet web site;**
- 17 a list of PEOs that are registered under this article.

18 SECTION 71. IC 27-16-6-1, AS ADDED BY P.L.245-2005,  
19 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
20 JULY 1, 2010]: Sec. 1. (a) A PEO **or PEO group** shall ~~maintain either:~~  
21 **do one (1) of the following:**

22 (1) ~~subject to section 2 of this chapter, a minimum net worth of~~  
23 ~~fifty thousand dollars (\$50,000); or~~

24 (2) ~~subject to subsection (b), a bond with a market value of at~~  
25 ~~least fifty thousand dollars (\$50,000):~~

26 (1) **Maintain positive working capital, as reflected in the**  
27 **financial statement submitted to the department by the PEO**  
28 **or PEO group under IC 27-16-4.**

29 (2) **If the PEO or PEO group does not meet the requirement**  
30 **of subdivision (1), maintain any of the following with a**  
31 **minimum aggregate value in an amount that is at least**  
32 **sufficient to eliminate the PEO's or PEO group's negative**  
33 **working capital plus one hundred thousand dollars**  
34 **(\$100,000):**

- 35 (A) **A surety bond.**
- 36 (B) **An irrevocable letter of credit.**
- 37 (C) **Securities.**
- 38 (D) **Cash.**

1                   **(E) A combination of items listed in clauses (A) through**  
 2                   **(D).**

3           (b) ~~A bond~~ **An instrument or cash** described in subsection (a)(2)  
 4 must be held by a ~~depository~~ **an institution** designated by the  
 5 department, securing payment by the PEO **or PEO group** of all taxes,  
 6 wages, benefits, or other entitlement due to or with respect to covered  
 7 employees in the event that the PEO **or PEO group** does not make the  
 8 payments when due.

9           SECTION 72. IC 27-16-6-2, AS ADDED BY P.L.245-2005,  
 10 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 11 JULY 1, 2010]: Sec. 2. ~~A bond~~ **An instrument or cash** described in  
 12 section 1(a)(2) of this chapter must not be included in the calculation  
 13 of the ~~minimum net worth~~ **positive working capital** described in  
 14 section 1(a)(1) of this chapter.

15           SECTION 73. IC 32-30-10.5-8, AS ADDED BY P.L.105-2009,  
 16 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 17 JULY 1, 2010]: Sec. 8. (a) This section applies to a foreclosure action  
 18 that is filed after June 30, 2009. Except as provided in subsection (e)  
 19 and section 10(g) of this chapter, not later than thirty (30) days before  
 20 a creditor files an action for foreclosure, the creditor shall send to the  
 21 debtor by certified mail a presuit notice on a form prescribed by the  
 22 Indiana housing and community development authority created by  
 23 IC 5-20-1-3. In prescribing the form required by this section, the  
 24 Indiana housing and community development authority shall include  
 25 in the notice the statement set forth in IC 24-5.5-3-1. In addition, the  
 26 notice required by this subsection must:

- 27           (1) inform the debtor that:
- 28                   (A) the debtor is in default; and
- 29                   (B) the debtor is encouraged to obtain assistance from a
- 30                   mortgage foreclosure counselor; and
- 31           (2) provide the contact information for the Indiana Foreclosure
- 32           Prevention Network.
- 33           (b) The notice required by subsection (a) shall be sent to:
- 34                   (1) the address of the mortgaged property; or
- 35                   (2) the last known mailing address of the debtor if the creditor's
- 36                   records indicate that the mailing address of the debtor is other
- 37                   than the address of the mortgaged property.

38           If the creditor provides evidence that the notice required by subsection

1 (a) was sent by certified mail, return receipt requested, and as  
 2 prescribed by this subsection, it is not necessary that the debtor accept  
 3 receipt of the notice for an action to proceed as allowed under this  
 4 chapter.

5 (c) Except as provided in subsection (e) and section 10(g) of this  
 6 chapter, if a creditor files an action to foreclose a mortgage, the creditor  
 7 shall include with the complaint served on the debtor a notice that  
 8 informs the debtor of the debtor's right to participate in a settlement  
 9 conference. The notice must be in a form prescribed by the Indiana  
 10 housing and community development authority created by IC 5-20-1-3.  
 11 The notice must inform the debtor that the debtor may schedule a  
 12 settlement conference by notifying the court, not later than thirty (30)  
 13 days after the notice is served, of the debtor's intent to participate in a  
 14 settlement conference.

15 (d) In a foreclosure action filed under IC 32-30-10-3 after June 30,  
 16 2009, the creditor shall:

17 (1) attach to the complaint filed with the court a copy of the  
 18 notices sent to the debtor under subsections (a) and (c); **and**

19 **(2) at the time the complaint is filed with the court, send:**

20 **(A) by certified mail, return receipt requested; and**

21 **(B) to the last known mailing address of the insurance**  
 22 **company;**

23 **a copy of the complaint filed with the court to the insurance**  
 24 **company of record for the property that is the subject of the**  
 25 **foreclosure action.**

26 (e) A creditor is not required to send the notices described in this  
 27 section if:

28 (1) the loan is secured by a dwelling that is not the debtor's  
 29 primary residence;

30 (2) the loan has been the subject of a prior foreclosure prevention  
 31 agreement under this chapter and the debtor has defaulted with  
 32 respect to the terms of that foreclosure prevention agreement; or

33 (3) bankruptcy law prohibits the creditor from participating in a  
 34 settlement conference under this chapter with respect to the loan.

35 **(f) A creditor that shows evidence that a copy of the complaint**  
 36 **was sent as required by subsection (d)(2) is considered to have met**  
 37 **the requirement of subsection (d)(2), regardless of whether the**  
 38 **insurance company acknowledges having received the copy of the**

1 **complaint."**

2 SECTION 74. IC 32-31-9-3, AS ADDED BY P.L.22-2007,  
3 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2010]: Sec. 3. As used in this chapter, "applicable offense"  
5 refers to any of the following:

6 (1) A crime involving domestic or family violence (as defined in  
7 IC 35-41-1-6.5).

8 (2) ~~A sex~~ **An offense against the person under IC 35-42-4.**  
9 **IC 35-42.**

10 (3) Stalking under IC 35-45-10.

11 **(4) Any of the following offenses if the offense is committed at**  
12 **the dwelling of the victim:**

13 **(A) Burglary under IC 35-43-2-1.**

14 **(B) Residential entry under IC 35-43-2-1.5.**

15 **(C) Criminal trespass under IC 35-43-2-2(a)(1),**  
16 **IC 35-43-2-2(a)(2), IC 35-43-2-2(a)(4), or**  
17 **IC 35-43-2-2(a)(5).**

18 SECTION 75. IC 32-31-9-7, AS ADDED BY P.L.22-2007,  
19 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
20 JULY 1, 2010]: Sec. 7. As used in this chapter, "protected individual"  
21 means a tenant or applicant:

22 (1) who is:

23 (A) a victim; or

24 (B) an alleged victim;

25 of an applicable offense; and

26 (2) who has received ~~either one~~ **(1)** of the following:

27 (A) A civil order for protection issued or recognized by a court  
28 under IC 34-26-5 that restrains a perpetrator from contact with  
29 the individual.

30 (B) A criminal no contact order that restrains a perpetrator  
31 from contact with the individual.

32 **(C) In the case of an applicable offense listed in section**  
33 **3(2), 3(3), or 3(4) of this chapter, a copy of a police report**  
34 **that was filed with the law enforcement agency with**  
35 **respect to the applicable offense.**

36 SECTION 76. IC 32-31-9-12, AS ADDED BY P.L.22-2007,  
37 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
38 JULY 1, 2010]: Sec. 12. (a) A protected individual who is a tenant may

1 terminate the protected individual's rights and obligations under a  
 2 rental agreement by providing the landlord with a written notice of  
 3 termination in compliance with this section.

4 (b) A protected individual must give written notice of termination  
 5 under this section to the landlord at least thirty (30) days before the  
 6 termination date stated in the notice.

7 (c) The written notice required by this section must include:

8 (1) a copy of:

9 (A) a civil order for protection issued or recognized by a court  
 10 under IC 34-26-5 that restrains a perpetrator from contact with  
 11 the protected individual; ~~or~~

12 (B) a criminal no contact order that restrains a perpetrator  
 13 from contact with the protected individual; **or**

14 **(C) in the case of an applicable offense listed in section**  
 15 **3(2), 3(3), or 3(4) of this chapter, a police report that was**  
 16 **filed with the law enforcement agency with respect to the**  
 17 **applicable offense; and**

18 (2) if the protected individual is a victim of domestic violence or  
 19 sexual assault, a copy of a safety plan, which must satisfy the  
 20 following:

21 (A) The plan must be dated not more than thirty (30) days  
 22 before the date on which the protected individual provides the  
 23 written notice to the landlord under this section.

24 (B) The plan must be provided by an accredited domestic  
 25 violence or sexual assault program.

26 (C) The plan must recommend relocation of the protected  
 27 individual.

28 (d) If a protected individual's rights and obligations under a rental  
 29 agreement are terminated under this section, the protected individual  
 30 is liable for the rent and other expenses due under the rental agreement:

31 (1) prorated to the effective date of the termination; and

32 (2) payable at the time when payment of rent would have been  
 33 required under the rental agreement.

34 A protected individual whose rights and obligations under a rental  
 35 agreement are terminated under this section is not liable for any other  
 36 rent or fees that would be due only because of the early termination of  
 37 the protected individual's rights and obligations under the rental  
 38 agreement. If a protected individual terminates the rental agreement at

1 least fourteen (14) days before the protected individual would first have  
2 the right to occupy the dwelling unit under the lease, the individual is  
3 not subject to any damages or penalties.

4 (e) Notwithstanding section 13 of this chapter, a protected  
5 individual is entitled to deposits, returns, and other refunds as if the  
6 tenancy terminated by expiring under the terms of the rental agreement.

7 SECTION 77. IC 34-30-2-111 IS AMENDED TO READ AS  
8 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 111. IC 27-2-15-9  
9 (Concerning the state fire marshal, a deputy fire marshal, an  
10 enforcement authority, or an officer of a **city municipality** for  
11 compliance with the statute concerning the set aside of insurance  
12 proceeds in arson cases)."

13 Page 74, line 5, delete "IC 27-1-25-7.5;" and insert "IC 27-2-15-2."

14 Page 74, delete line 6.

15 Page 74, after line 11, begin a new paragraph and insert:

16 "SECTION 80. [EFFECTIVE JULY 1, 2010] **(a) IC 27-1-15.7-2, as**  
17 **amended by this act, applies only to an insurance producer license**  
18 **renewed after June 30, 2011.**

19 **(b) IC 27-1-15.7-5, as amended by this act, applies only to an**  
20 **insurance producer license issued after June 30, 2011.**

21 **(c) This SECTION expires July 1, 2016.**

22 SECTION 81. [EFFECTIVE JULY 1, 2010] **(a) IC 27-2-15, as**  
23 **amended by this act, applies to damage occurring by fire or**  
24 **explosion after June 30, 2010.**

25 **(b) This SECTION expires July 1, 2015."**

26 Renumber all SECTIONS consecutively.

(Reference is to HB 1240 as introduced.)

**and when so amended that said bill do pass.**

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Representative Fry