



January 21, 2011

HOUSE BILL No. 1015

DIGEST OF HB 1015 (Updated January 19, 2011 11:20 am - DI 97)

Citations Affected: IC 27-8.

Synopsis: Long term care insurance commissions. Makes changes to limitations on long term care insurance commission amounts.

Effective: July 1, 2011.

Torr, Noe

January 5, 2011, read first time and referred to Committee on Insurance.
January 20, 2011, amended, reported — Do Pass.

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HB 1015—LS 6001/DI 97+



January 21, 2011

First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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HOUSE BILL No. 1015



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 27-8-12-18, AS AMENDED BY P.L.173-2007,
2 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2011]: Sec. 18. (a) An insurer or other entity that provides a
4 commission to an insurance producer or other representative for the
5 sale of a long term care insurance policy may not violate the following
6 conditions:

7 (1) ~~The amount of the first year insurer or other entity shall, for~~
8 **at least six (6) years, pay to the insurance producer or other**
9 **representative an annual** commission for selling or servicing the
10 policy. ~~may not exceed two hundred percent (200%) of the~~
11 ~~amount of the commission paid in the second year.~~

12 (2) The amount of commission provided in years after the second
13 year must be equal to the amount provided in the second year.

14 (3) ~~A commission must be provided each year for at least five (5)~~
15 ~~years after the first year.~~

16 (b) If an existing long term care policy or certificate is replaced, the
17 insurer or other entity that issues the replacement policy may not

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1 provide, and its insurance producer may not accept, a commission in
2 an amount greater than the renewal commission payable **on the**
3 **replaced policy or certificate** by the ~~replacing~~ insurer ~~on renewal~~
4 ~~policies~~; **that issued the replaced policy or certificate**, unless the
5 benefits of the replacement policy or certificate are clearly and
6 substantially greater than the benefits under the replaced policy or
7 certificate.

- 8 (c) This section does not apply to the following:
- 9 (1) Life insurance policies and certificates.
 - 10 (2) A policy or certificate that is sponsored by an employer for the
11 benefit of:
 - 12 (A) the employer's employees; or
 - 13 (B) the employer's employees and their dependents.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, to which was referred House Bill 1015, 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:

Page 2, line 2, after "payable" insert "**on the replaced policy or certificate**".

Page 2, line 3, strike "replacing".

Page 2, line 3, strike "on renewal policies," and insert "**that issued the replaced policy or certificate,**".

and when so amended that said bill do pass.

(Reference is to HB 1015 as introduced.)

LEHMAN, Chair

Committee Vote: yeas 10, nays 0.

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