
HOUSE BILL No. 1015

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-8-12-18.

Synopsis: Long term care insurance commissions. Removes a limitation on long term care insurance commission amounts.

Effective: July 1, 2011.

Torr

January 5, 2011, read first time and referred to Committee on Insurance.

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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



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

6 (c) This section does not apply to the following:

- 7 (1) Life insurance policies and certificates.
8 (2) A policy or certificate that is sponsored by an employer for the
9 benefit of:
10 (A) the employer's employees; or
11 (B) the employer's employees and their dependents.

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