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# HOUSE BILL No. 1027

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 27-1-13-16.

**Synopsis:** Policy change notices. Removes a requirement that the insurance producer's name be included in a written notice to the insured concerning a change in a policy covering residential property.

**Effective:** July 1, 2011.

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### Lehman

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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. 1027



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, AS AMENDED BY P.L.3-2008,  
2 SECTION 208, IS AMENDED TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2011]: Sec. 16. (a) This section applies to a  
4 policy of insurance that:  
5 (1) covers first party loss to property located in Indiana; and  
6 (2) insures against loss or damage to:  
7 (A) real property consisting of not more than four (4)  
8 residential units, one (1) of which is the principal place of  
9 residence of the named insured; or  
10 (B) personal property in which the named insured has an  
11 insurable interest and that is used within a residential dwelling  
12 for personal, family, or household purposes.  
13 (b) An insurer that reduces, restricts, or removes, through a rider or  
14 an endorsement, coverage provided by a policy of insurance must  
15 provide to the named insured written notice, through the United States  
16 mail or by electronic means, of the changes to the policy. The written  
17 notice required by this subsection must:



- 1 (1) be part of a document that is separate from the rider or
- 2 endorsement;
- 3 (2) be printed in at least 12 point type, 1 point leaded;
- 4 (3) consist of text that achieves a minimum score of forty (40) on
- 5 the Flesch reading ease test or an equivalent score on a
- 6 comparable test approved by the commissioner as provided by
- 7 IC 27-1-26-6;
- 8 (4) identify the forms, provisions, or endorsements that are
- 9 changed;
- 10 (5) indicate the name and contact information of
- 11 (A) the servicing insurance producer for the policy, if any; and
- 12 (B) the insurer
- 13 ~~whom that~~ the named insured may contact for assistance with any
- 14 questions concerning the policy changes;
- 15 (6) indicate whether a premium adjustment will result from the
- 16 policy changes; and
- 17 (7) set forth any options available to the named insured to
- 18 repurchase the coverage that has been reduced, restricted, or
- 19 removed.
- 20 (c) If the notice required under subsection (b) is sent through the
- 21 United States mail, the outside of the envelope used to mail the notice
- 22 must contain the following statement in at least 14 point type:
- 23 "Coverage has been reduced, restricted, or removed from your policy.".
- 24 (d) The insurer bears the burden to prove that notice was sent to the
- 25 named insured in accordance with this section. If the notice is sent
- 26 through the United States mail, proof of mailing as described in
- 27 IC 27-7-6-7 is sufficient proof of the notice.
- 28 (e) The commissioner may adopt rules under IC 4-22-2 to
- 29 implement this section.

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