

SENATE BILL No. 170

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-2-23.

Synopsis: Insurance for intentional acts. Prohibits certain actions by a property or casualty insurer with respect to an innocent coinsured, including denying payment on a claim and refusing to issue or renew a policy.

Effective: July 1, 2013.

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January 7, 2013, read first time and referred to Committee on Insurance.

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First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

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SENATE BILL No. 170



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 27-2-23 IS ADDED TO THE INDIANA CODE AS
- 2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2013]:
- 4 **Chapter 23. Insurance for Intentional Acts**
- 5 **Sec. 1. As used in this chapter, "innocent coinsured" means an**
- 6 **individual who:**
 - 7 **(1) is insured under a policy of property or casualty**
 - 8 **insurance;**
 - 9 **(2) did not cooperate in or contribute to a property loss that**
 - 10 **was caused or arranged by an individual who is also insured**
 - 11 **under the policy of property or casualty insurance;**
 - 12 **(3) signs a sworn affidavit attesting that the individual did not**
 - 13 **cooperate in or contribute to the property loss; and**
 - 14 **(4) cooperates in:**
 - 15 **(A) the investigation and resolution of the claim for the**
 - 16 **property loss;**
 - 17 **(B) any police investigation related to the property loss;**



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and
(C) any criminal prosecution of the individual that caused or arranged the property loss.

Sec. 2. As used in this chapter, "insurer" means an insurance company that issues or delivers a policy of property or casualty insurance.

Sec. 3. As used in this chapter, "property or casualty insurance" means a type of insurance described in Class 2 and Class 3 of IC 27-1-5-1. However, the term does not mean insurance described in Class 2(a) of IC 27-1-5-1.

Sec. 4. (a) An insurer may not deny, exclude, or limit payment of a claim made:

- (1) by an innocent coinsured;
- (2) for coverage of a property loss; and
- (3) under a policy of property or casualty insurance.

(b) This section does not require an insurer to make payment on a claim that is:

- (1) greater than the extent of the innocent coinsured's interest in the property; or
- (2) beyond the limits of coverage under the policy of property or casualty insurance.

Sec. 5. An insurer may not:

- (1) refuse to renew;
- (2) refuse to issue; or
- (3) add a surcharge or rating factor to a premium for;

a policy of property or casualty insurance solely on the basis that an insured or a prospective insured under the policy of property or casualty insurance has been an innocent coinsured.

SECTION 2. [EFFECTIVE JULY 1, 2013] (a) IC 27-2-23, as added by this act, applies to a policy of property or casualty insurance that is entered into, amended, or renewed after June 30, 2013.

(b) This SECTION expires July 1, 2015.

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